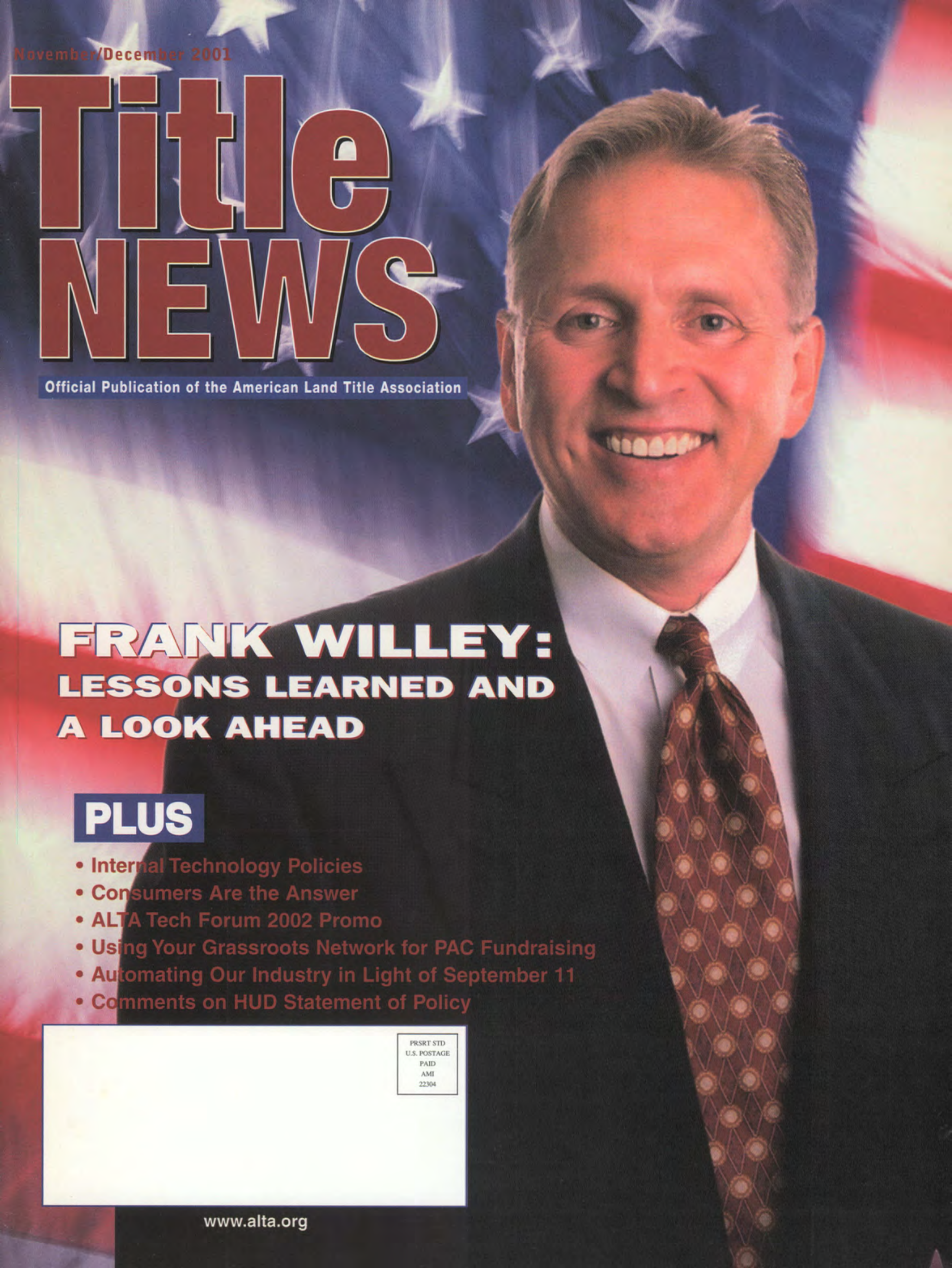

November/December 2001

Title NEWS

Official Publication of the American Land Title Association

FRANK WILLEY: LESSONS LEARNED AND A LOOK AHEAD

PLUS

- Internal Technology Policies
- Consumers Are the Answer
- ALTA Tech Forum 2002 Promo
- Using Your Grassroots Network for PAC Fundraising
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Title News • Volume 80, Number 6

leading edge

A Message from the President

Identity Crisis Looming

I read a recent article in *Kiplinger Personal Finance* magazine that described title insurance in the following unflattering terms, "Who would be foolish enough to shell out several thousand dollars for an overpriced product that they knew little about and would most likely never really need? Just about everyone who has ever bought a house." … "So this is title insurance in a nutshell: You, the homeowner, pay a premium to the title company to protect your lender from mistakes made by the company when it does a title search. Are you a sucker or what?"

The misconception here is the consumer/customer pays the price for title insurance coverage but receives no benefits for this cost. The so-called illusory benefits of our product flow directly to the real estate agent, lender or homebuilder associated with the transaction. This perception is the result of our industry's failure to promote our "value proposition." Since we have not traditionally marketed our products and services directly to the consumer, who is the ultimate customer, they know very little about what we do, or why they need our products. The paradox lies in the fact our industry is over 150 years old, employing tens of thousands of people. We facilitate millions of real estate transactions annually. But our value proposition is a well-kept secret. This must change lest our careers and professions be compared to a carnival type "con game."

I would articulate our value proposition as, "the engine that runs the real estate conveyancing, collateralization and closing process." We facilitate the purchase and sale of all types of real property, perform title searches and examinations and provide curative work where necessary. In short, we add integrity and fiscal responsibility to the overall process. Evidence of our integrity and fiscal responsibility translated into the payment of more than $350 million in loss and loss adjustment expenses last year. These are the messages we must carry to the public. It is imperative that title agents and underwriters alike conduct themselves in a manner that raises the bar of our public image and not engage in competitive practices that lower it.

The only way to accomplish these goals is through your involvement. ALTA cannot be the only messenger, you must get involved as well. We need ALTA members to invest in themselves—time and effort—to further their own careers and the title industry. Supporting our "grass roots" initiatives is a great place to start.

I look forward to tackling the challenges facing our industry during this next year. I will devote significant time and energy to assure the demise of alternative title insurance and mortgage impairment products that invade our marketplace without proper regulatory compliance. And, I will continue the implementation of the ALTA Strategic Plan to expand strategic partnerships within the real estate industry. Most importantly however, I will promote our value proposition. I hope you will too.

Frank P. Willey

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Web Cast A Hit

Since many ALTA members were unable to attend the 2001 Annual Convention recently in California, ALTA offered an innovative new way for people to attend. The opening and closing general sessions were available via Web cast to all members. More than 30 locations took advantage of the special offer to be part of the on-site convention community. The Web cast cost $25 and all of the proceeds were donated to the New York Firefighter's Fund. ALTA was able to keep the cost low and donate all the proceeds thanks to the generous sponsorships of Attorneys' Title Insurance Fund, Fidelity National Financial, First American, LandAmerica, and Stewart Title.

The Web cast will be available on the ALTA Web site in November. In addition, ALTA's media partner, Realcomm, headquartered in Carlsbad, California, interviewed a number of convention attendees about trends in the industry, and their personal reactions to the September 11 tragedies. These interviews will also be available for viewing at www.alta.org.

ALTA is planning to offer a Web cast during the Tech Forum 2002, next February in New Orleans. For more details, contact Alice Baldwin at alice_baldwin@alta.org or 1-800-787-2582.

MERS Seminar a Sell Out

ALTA's recent telephone seminar titled, "The Impact of MERS on the Mortgage Finance and Title Industries," had more than 450 listeners at over 100 sites. The seminar covered issues and concerns relating to MERS mortgages and initial recording/indexing; insuring MERS as original mortgagee of record; foreclosures; and database access.

It was so well received that ALTA has taken many calls for the audiotapes from the seminar.

Audiotapes are still available, and can be ordered by contacting KRM at 1-800-775-7654. Refer to seminar #ALT6382-0. The cost for the audiotapes and printed materials package is $225.

calendar

ALTA Coming Events

November

10-14
Title Counsel Meeting
San Antonio, TX

19
TRC Board Meeting
San Francisco, CA

December

9-11
Systems Committee Meeting
Key West, FL

Affiliated Association Conventions

November

7-10 Arizona
7-10 Florida

December

6-7 Louisiana

ALTA Participates in Real Estate Conference

This past June, ALTA joined with sixteen other real estate associations as partners in a single industry conference – Realcomm 2001. Randall Hood, executive vice president and C.T.O., Virtual Desktop, Inc. and ALTA Vendor Task Force chair (l) was a speaker. He's seen with Greg Weatherly, marketing director for Realcomm. Realcomm is the largest conference focused exclusively on technology solutions and e-commerce for the commercial real estate industry. Approximately, 4,000 professionals in commercial real estate and technology attended.

ALTA Tech Forum 2002 Approaches

February 17-19 might seem like a long way off, but with the rush of the holiday season upon us, it will be here before you know it. February 17-19 are the dates for the ALTA Tech Forum 2002 at the Fairmont Hotel in New Orleans. See page 33 in this issue of Title News for a full promotional piece about the convention, and a registration form. Tracks for this year's Tech Forum include: Operations Management, Strategic Technology Management, Marketing and Sales, Advanced Technology, and The Future is Now.

There are many sponsorship and exhibit opportunities available during the conference, including sponsoring inserts in the registration bags, hosting individual events, and obtaining a booth in the exhibit hall. For more information on sponsorships or exhibiting, contact Liza Trey at liza_trey@alta.org or call 1-800-787-2582 for the "Opportunity Knocks" sponsorship brochure.

ALTA 2002 Federal Conference Scheduled

At the moment, Congress is focusing on legislation aimed at identifying and controlling terrorist activities. We are not certain when they will get back to a host of issues that have been put on hold, many of them of interest to the title industry.

All the more reason to plan to attend next year's Federal Conference, May 5-7 at the Grand Hyatt Hotel in Washington, DC. Save the dates now and look for program information soon.

ALTA 2002
FEDERAL CONFERENCE
MAY 5-7, 2002

Educating Our International Counterparts

ALTA International Development Committee chairman Mark Winter (r) recently met with the Honorable Walter H. Kansteiner, III, U.S. assistant secretary of state for African affairs (l). The purpose of the meeting was to discuss the status of Africa's emerging real estate market. Winter, senior vice president for Stewart Title, and ALTA board member, explained the title industry's belief that social stability and prosperity are created when citizens and businesses own their homes and buildings have clear, transferable title to their property.

Prior to his present State Department position, Kansteiner was a founding principal of the Scowcroft Group, advising governments and businesses on real estate and financial services privatization throughout Africa.

ALTA Responds to Disasters

Like many companies, ALTA staff and board wanted to do something to help out with the recent tragedies.

Since the annual convention was only weeks after the tragedy, it was decided that the money usually spent for prizes at the closing banquet of the convention would be donated to the New York Firefighter's Fund. ALTA donated $700 to the fund.

In addition, (see story on previous page) ALTA donated all the proceeds from the Web cast of the opening and closing general sessions to the Fund as well.

Making this donation, in addition to continuing on with the convention, were two small ways that we could send a message to reconfirm our way of life.

government & agency news

Capitol Hill Anti-Terrorism Response

As *Title News* goes to press, Congress is considering several pieces of anti-terrorism legislation. While action has not yet been completed, H.R. 3004 The Financial Anti-Terrorism Act of 2001, was passed by the House on October 17 and referred to the Senate. Many of the provisions in H.R. 3004 do not directly affect the title industry. However, the definition of financial institution contained in 31 U.S.C. 5312(a)(2) does include a trust company, an insurance company, and "persons involved in real estate closings or settlements." Therefore, the provisions in H.R. 3004 affecting "financial institutions" would apply to title companies and agencies. While the bill overall may impose new requirements on title companies, it is difficult to argue against the public policy rationale for the changes.

Perhaps the most significant impact of H.R. 3004 on title companies will be provisions that increase the penalties for violations of requirements that are already imposed by federal law. For example, financial institutions are already required to file currency transaction reports. Section 102 of H.R. 3004 authorizes the forfeiture of "property, real or personal, of property involved in the offense [of failing to file a required currency transaction report] or traceable thereto." Therefore, a title company closing a transaction that failed to file the required currency transaction report could potentially be subject to severe forfeiture penalties.

Section 304 of H.R. 3004 requires financial institutions to adopt anti-money laundering compliance programs that reflect minimum requirements that will be developed by the secretary of the Treasury. Title companies will presumably be required to develop such compliance programs. Section 119 provides for minimum requirements for customer identification that will be developed by the secretary of the Treasury. This provision appears primarily directed at banks but presumably will apply to title companies in some fashion. Section 118 may provide a potential benefit to title companies, because it makes it a crime to provide false statements to financial institutions regarding the identity of a customer. To the extent that such a provision deters identity fraud in real estate transactions, it may help the title industry.

Insurance Sales Rules Finalized

The Federal financial institutions regulators, as required under the Gramm-Leach-Bailey Act, have issued a series of final regulations implementing the consumer sales protections provisions of the statute. These rules, including provisions to require physical separation of sales personnel became effective October 1, 2001. In addition, rules were issued this summer to allow state chartered banks to engage in activities consistent with the Gramm-Leach Bailey Act. The Act gives state chartered banks parity with national banks, subject to some state law restrictions.

On a separate front, the Office of the Comptroller of the Currency has issued a ruling pre-empting a West Virginia statute regulating bank insurance sales.

Privacy Form

ALTA has posted an updated, broader version of the privacy form required by title companies with the passage of the Gramm-Leach-Bliley Act. The new form can be accessed on the ALTA Web site, under "Government Action." Also available on the Web site is a list of Frequently Asked Questions. July 1, 2001 was the deadline for title companies to comply with the new Federal requirements. Questions: pleasse contact Ann vom Eigen, ALTA's legislative and regulatory counsel at ann_vomeigen@alta.org.

HUD Simplifies Mortgage Process

Housing secretary Mel Martinez announced steps Monday, October 15 that will significantly reform and simplify the home buying process.

Of particular interest to the title industry is that the secretary's reform package did not include any proposal for a new exception to Section 8 for lender-packaging or lender-payment of settlement services, an option that in the past has been opposed by the title industry.

The most direct effect on the industry of the secretary's Policy Statement is likely to be an increased scrutiny of charges. Settlement services providers—defined under RESPA, to include lenders, mortgage brokers, title companies, and agents—will be subject to review of charges by HUD and bank examiners.

To see a copy of the HUD press release and ALTA's comments on HUD's new policy, go to the home page of the ALTA Web site, www.alta.org, and look under Government News.

Fannie, Freddie, HUD Respond to Attacks

Realizing that hundreds of families were affected by the September 11 tragedies, Fannie Mae and Freddie Mac have announced that its lenders should apply disaster relief provisions to borrowers. These disaster relief provisions normally are available for use by mortgage servicers in cases of natural disasters.

Fannie Mae's disaster relief provisions give mortgage servicers the discretion to help borrowers in several ways, including suspending or reducing mortgage payments for a time, or in some circumstances, creating longer loan payback plans, resulting in a lower monthly payment.

Freddie Mac has set up a similar plan called the"Peace of Mind Plan" and announced that it is suspending all foreclosure actions until September 25, 2001.

HUD has announced that reservists and members of the National Guard called to active duty will receive a cut in their home loan interest rate for the first time since the Gulf War. Under the 1940 Soldiers' and Sailors' Civil Relief Act, HUD is advising all FHA-approved lenders to reduce mortgage interest rates to no more than six percent for active duty military.

For more stories on how the housing and mortgage finance industry are helping, go to the home page of the ALTA Web site, www.alta.org, and look under Government News.

HUD Announces Foreclosure Procedures Changes

HUD announced changes in FHA foreclosure procedures at the end of August. The changes clarify the circum-stances under which non-judicial foreclosure will be acceptable in Hawaii. In addition, the HUD announce-ment also provides updates to HUD's Reasonable Diligence Time Frames and its Schedule of Attorney Fees for all jurisdictions. HUD also confirmed its procedure for measuring compliance of the Reasonable Diligence time requirements where lenders must commence legal actions to acquire possession of property.

For more information, contact Ann vom Eigen, ALTA's legislative and regulatory counsel at ann_vomeigen@alta.org or 1-800-787-2582.

State Legislative Action Update

State legislative action often is a harbinger of things to come on the Federal level. As such, ALTA is very concerned with current trends.

Due to the national tragedy on September 11, our Federal legislative focus has shifted to Anti-Terrorism, Money Laundering, and the Economic Stimulus package. However, there are a few issues making waves at the state level.

The Massachusetts Conveyancers Association, Inc. was victorious in their superior court litigation obtaining an injunction against Colonial Title. In *Massachusetts Conveyancers Association, Inc.,et al, vs. Colonial Title, Inc., et al.*, the court found Colonial Title guilty of engaging in the practice of law when conducting settlements.

Other issues to watch are: Predatory Lending; Federal preemption of state-controlled business laws—particularly the Kansas Insurance Department letter, and existing good funds laws/regulations. The Uniform Electronic Transactions Act was adopted in approximately 36 jurisdictions. Revised Article 9 of the Uniform Commercial Code was adopted in many states and D.C. The article becomes effective July 1, 2001 in all states except Connecticut, Alabama, Mississippi and Florida. Privacy Regulations are also making inroads on the state level, with NAIC Model Regulations adopted in numerous states.

For more information on these and other issues affecting our states, visit the ALTA Web site at www.alta.org/govt/states/index.htm, or contact Rob Blumel, grassroots manager, or Ann vom Eigen, legislative and regulatory counsel at 800-787-2582.

Preemption of State "Controlled Business" Law

Gold Banc in Leawood, KS, saw a potential federal (Gramm-Leach-Bliley) preemption of state law when it came to their purchase of a title company. Their attorney sought an opinion from the insurance commissioner.

The Kansas Insurance Department issued a legal opinion that GLBA did in fact preempt state law.

The Kansas statute effectively prohibited a title agency from generating more than 20% of its operating revenue from customers of a financial affiliate. In their opinion, such a prohibition is not protected by any of the GLBA safe harbors. K.S.A. §40-2404(14)(f) prevented or significantly interfered with the ability of a depository institution or affiliate to engage in title insurance sales. Therefore, by operation of federal law, K.S.A. §40-2404(14)(f) was preempted by Section 104(d)(2)(A) of the GLBA, and Gold Banc was allowed to go through with their purchase.

This sort of preemption challenge is happening in many states, and is an issue state associations are watching closely.

Frank Willey: Lessons Learned and a Look Ahead

by Ellen Schweppe, APR

For Frank Willey, the appeal of a career in the title insurance industry is being a linchpin in a process that helps families settle into their own homes and businesses to flourish.

"This is such a dynamic business to be in. The real estate industry touches so many people daily throughout our country," said Willey, president of the American Land Title Association and vice chairman of Fidelity National Financial Inc. in Santa Barbara, CA. "It's exciting to be part of the process of the purchase and sale of homes, the refinancing of mortgages and the development of commercial enterprises."

But title insurers shouldn't limit themselves to thinking they're merely the provider of title or escrow services, Willey maintains. Instead, they should position themselves as the overall facilitator of the real estate transaction.

Title insurers should position themselves as the overall facilitator of the real estate transaction.

"We need to insert ourselves in the process as a transaction manager to assure that it goes expeditiously, that it goes smoothly, that it goes correctly. We must become the entity providing the products and services, on behalf of realtors or mortgage lenders, necessary to achieve those ends," Willey said. "We have the expertise and the familiarity with the real estate process to do that. That's why I see us as a transaction manager doing so many things in addition to providing title and escrow services."

Willey speaks from experience when he outlines his view of the industry's role in the real estate process. He started his title insurance career with a tiny company that has grown into the nation's largest title insurance underwriter and provider of real estate services.

Vision for the Future

Willey's first exposure to the title insurance business came in the late 1970s, when he was an attorney with the Phoenix, AZ, law firm of Foley, Clark and Nye. One of the firm's clients was a savings and loan operation with a two-office title insurance underwriter known as Fidelity National Title Insurance Co. Willey took care of the insurer's legal affairs.

When the law firm's senior partner, William P. Foley II, acquired Fidelity National in a 1984 leveraged buyout, Willey signed on as vice president and

general counsel. What persuaded him to join Fidelity was Foley's vision for the title insurance industry.

At the time, Foley saw the industry as fragmented companies that did business the old-fashioned way, offering limited products and services and letting customers come to them. Foley's view was that title insurance, unlike other forms of insurance, should be more sales and marketing oriented.

"Bill really set the standard for the way the business is promoted today," Willey said. "I was really a disciple of Bill's. He was a very successful lawyer and businessman. I was very attracted to his entrepreneurial spirit and sense of vision."

Fidelity expanded over the years under Foley's direction, adding title insurance underwriters and real estate-related enterprises to its portfolio. Willey served in various capacities with the company's subsidiaries and affiliates before being named president in 1995.

A 2000 merger with Chicago

Title Corp., a company 50% larger than Fidelity, made Fidelity the nation's largest provider of title, escrow and real estate-related products and services with over 1,000 offices and 7,000 agents. The same year, Willey became Fidelity's vice chairman and division manager for agency operations.

The merger combined Fidelity, a West Coast-based entity with roots in residential real estate, with Chicago Title, a Midwest-and East Coast-based company with a significant presence in the commercial sector, to form an organization with geographical, product and service, and customer diversity.

The challenges of assimilating a larger company into Fidelity's operations were significant, Willey said, but after 18 months, results have exceeded goals. Fidelity had total 2000 revenues of $2.7 billion, nearly twice 1999 revenues. "Notwithstanding the fact there have been thousands upon thousands of man-hours invested in its success, the endeavor has proven to be both financially and operationally successful," he said.

One decision made early on was to maintain each of the merged company's five title insurance companies—Fidelity National Title, Chicago Title, Ticor Title, Security Union Title and Alamo Title—as separate brands. The thinking behind the decision was to encourage employees who contribute to the company's revenue base, many of whom might otherwise have jumped ship because of the merger, to stay with Fidelity.

"Our largest challenge was to maintain the revenue base of the Chicago Title family of companies. We felt the best way to do that was to maintain the cultural identity and integrity of the Chicago Title brands," Willey said. "Each of these entities had its own base of customers that chose to do business with it for their own reasons. We felt that if we came in and disturbed the underlying reasons why customers chose those brands, we would lose revenue."

Once the revenue base was solidified, the focus moved to increasing productivity. "Fidelity historically has been the productivity leader in the title insurance industry in terms of opening and closings per employees," Willey said. "We felt that if we could maintain the revenue base of the Chicago family of companies and inject Fidelity's productivity-leading discipline into its operations, the overall profitability of the combined entities would be much greater than either on a stand-alone basis."

Among the most important issues ALTA will address during the coming year is legislative reform of the Real Estate Settlement Procedures and Truth in Lending Acts.

Productivity improvement measures included centralizing functions such as accounting, human resources, legal operations, bulk purchasing, and real estate leasing, freeing up operations managers to focus on serving customers and expanding market share.

Lessons Learned

Fidelity's merger experience offers useful lessons for other companies undergoing or contemplating mergers. "Often with mergers you add one and one together and end up getting something less than two, typically as a result of losing revenue-attached personnel," Willey said. "I think our success in being able to have one and one equal two-and-a-half is evidence that it is critical to maintain the individual integrity of the respective organizations. The integrity and brand name of a company are very valuable assets that need to be protected."

Ongoing communication is vital, he added. "You can't communicate enough what you're doing and, more importantly, why you're doing it," he said. "Integration through communication was the key to our success, versus integration through dictatorial edicts of 'Here's what we're going to do.'"

Also important is a collaborative approach. "The Chicago companies were certainly the gold standard in terms of underwriting and customer relationships, so it wasn't a situation of needing to teach them something about the title insurance business," Willey said. "It was really integration through a best-practices approach. Any change we implemented was thoroughly communicated and had a rational basis, not simply 'We do it this way, so you're going to do it this way.'"

Throughout his career as an attorney and executive, Willey has recognized the importance of being active in professional organizations and trade associations such as ALTA. He served on the ALTA board of governors and chaired the

Title Insurance Underwriters Section before moving up to president-elect and, now, president.

"The association is critical to the success of the industry because it allows us to be heard," he said. "Through ALTA, we are strategically positioned in Washington and can work hand-in-hand with other associations, like the Mortgage Bankers Association. ALTA is also a great repository for information on what's going on in the industry at both the national and state levels. ALTA is able to stay on top of key legislative issues and developments, and give guidance at the state level."

Member involvement is essential, he added. "Everyone is busy, but it is important for ALTA members to become involved and make a commitment of time. The success of ALTA, like any trade association, depends on the efforts of its members. The more involved the membership becomes, the more empowered its leadership is and collectively more gets done."

Members can contribute, Willey said, by joining ALTA committees and speaking out on industry issues at the local, state and national levels. "It's very important for members to let their government representatives know their positions," he said. "They got there through the vote of the people and they can be removed just as easily through the vote of the people."

Among the most important issues ALTA will address during the coming year is legislative reform of the Real Estate Settlement Procedures and Truth in Lending Acts. ALTA's challenge, Willey said, is to make certain the industry's point of view is heard and to prevent RESPA/TILA changes that would limit consumer choice of real estate settlement services and lower the quality of service.

Trends to Watch

The consolidation trend in the title insurance industry is not over, Willey said, although additional underwriter mergers may not occur any time soon. He believes underwriters will continue to acquire agents, particularly those who wish to liquefy their investment in their business or want to join a larger organization for competitive reasons.

Willey predicts a proliferation of controlled business relationships between banks and insurers, although a number of issues still need to be worked out. Historically, many controlled business arrangements involved referral fees, which are prohibited by RESPA. "Both underwriters and lenders are feeling their way on what a controlled business arrangement would look like structurally to be RESPA-compliant," he said. "Once that is resolved, I think both parties can benefit by some type of revenue-sharing model."

Technology will continue to be a driving force for change in the industry, Willey said. As customers demand more from the industry—including products and services that are better, cheaper and faster—integrating distribution systems and automating transactions will become a priority.

"It is important to be able to take costs out of your back room to meet price demands, because if you don't, someone else will," he said. "The most efficient companies will be able to supply products and services at a profit. And the only way to become more efficient is through technology."

Hand-in-hand with consolidation and technology trends is the movement toward title insurance companies offering a diversity of services. Under a concept known commonly as one-stop-shopping, cross-selling and bundling, many insurers like Fidelity are going beyond traditional title insurance and escrow services to provide tax, flood, credit, appraisal and other services related to real estate.

As mortgage industry consolidations continue, the resulting larger companies will want to work with fewer vendors, Willey believes, and insurance companies with an eye on the future will take advantage of the opportunity to

Advice for Young Professionals

Frank Willey, who used the real estate expertise he gained as an attorney to move into the title insurance industry, offers the following advice for young professionals who want to do well in the industry:

"First, learn as much about the business as possible. Know it backwards and forwards. Understand the functions of the business from a production level, from a delivery level, from a distribution level.

"Second, networking is very, very important. Network within the industry and across industry lines. Be familiar with all of your customers – the lenders, mortgage brokers, mortgage originators, attorneys, everyone.

"That's the way you grow in the business."

expand their services and offer customers one-stop-shopping on real estate transactions.

"The industry has been tagged with an attitude of being opposed to bundling, but our concern is making sure that the value-added proposition of services are maintained in terms of consumer choice and quality of products and services provided. That's ALTA's and the industry's position on it," he said.

Future Success

The most successful companies, Willey predicts, will evolve into business partners with their customers and will focus on using technology to make processes less expensive and more efficient. Integrating insurers' distribution and production systems with their customers, for example, could allow customers to originate mortgages less expensively than they do today.

"Those are the kinds of advantages customers want to see," he said. "The companies that best serve those needs will be the companies with the largest market share."

It all goes back to Willey's view of today's title insurers becoming tomorrow's real estate transaction managers. "We can do so many things in addition to providing title and escrow services. We can be the overall facilitator of the real estate transaction itself. I think it's a very positive thing for the industry."

Ellen Schweppe, APR, is president of Ellen Schweppe Company, LLC, a public relations firm serving the financial services and other industries. She can be reached at ellen@schweppecompany.com or (703) 435-5621.

The Importance of Automation in Light of September 11

by Mina Croson

The following is a message from Virginia Land Title Association president Mina Croson. It appeared in the VLTA Examiner and has significance for our entire industry.

As events on September 11, 2001 unfurled, matters relating to title insurance and real estate closings paled, immensely, in comparison. It is amazing, to me, how one's focus and attention can shift, so drastically, in a matter of minutes. Important and unimportant become immediately distinguishable. What is also amazing, is the resolve of the American people as we journey through the aftermath into a phase of regrouping and restructuring. I am proud, as I am sure you are, of the shear determination of the people of this nation to move forward with our chin up and our nose to the grindstone. I know that most of you see, as I do, a new measure of strength coming out of the initial shock and mayhem. This association expresses sincere condolences to any of you who have lost family or friends by way of these preposterous acts of violence.

The regrouping and restructuring that is taking place nationally also affects our industry in innumerable ways. Like many in the Northern Virginia area, my offices experienced a frightening loss of contact with the "outside" world when phone service was unavailable for most of the day on September 11th. We first realized that local cellular phones were not working, and shortly thereafter, found the offices without land-lines for regular telephone use or sending and receiving faxes. We only realize how much we, as an industry, are totally dependent on the wonder of technology for conducting business when we are without it. Most of us can remember life (and business) before fax machines, but life without a telephone precedes most of us who would be reading this. We also found ourselves without other services that the title industry so readily takes for granted. On the day of the attacks, our banks closed. No wires could be received or sent, no cashier's checks purchased, and no deposits made. Without air travel, overnight deliveries came to a screeching halt and deliveries in transit were delayed for days. As the week unfolded, Virginia also experienced some government offices and our courthouses closed for periods of time. All of this is such an eye opener when you have not even considered the possibility for any of it to occur.

Of course, none of us know what will happen in the near or distant future, but it is necessary that we all contemplate the impact that such an incident could have on our ability to conduct business "as usual." During the telephone outage, our only means of communication outside of the office was by e-mail; it was a little slower than usual, but definitely working. And so, it became the only means by which we communicated between offices, with family, and those that we do business with, such as lenders, realtors, buyers, and sellers. We continued to receive loan packages from lenders who had the ability to send by e-mail. Communication is essential, and now, more than ever, we need to take the extra steps to make sure that we have a means of contact with those who are necessary to our business, which also includes customers and clients.

Never make light of what we all do for a living. We help facilitate a freedom that we have here in this country, that is not necessarily experienced throughout the rest of the world – the ability of ordinary citizens to buy and sell real estate. The very nature of our business is important to this country in so many, many ways. Economically, we are one of few industries thriving while others are not; consequently, the boom that we are experiencing lends aid to other sectors of the economy through our use of their services. In the title industry, from examiner to underwriter, we all work together to preserve the integrity of our land records; this is so important to the American way of life. Have you ever considered that with every document that is recorded in our land records, a piece of history is written and made permanent for all generations? Lastly, the product that is the crux of our business, title insurance, makes land ownership a safe investment for Americans.

Once again, the title industry in Virginia needs to hear that all of us must move forward technologically. On one afternoon following the attack, our local courthouse was closed because of a bomb threat. Nonetheless, many of us were able to access the land records through the county's new online pilot program. Other counties in the Commonwealth are also on line. We need to encourage all of the circuit court clerks to take the necessary steps to automate their land records. We need to urge our legislators to make the funds available for these advancements. We also need to educate the general public as to why the automation of land records will become more and more important in the future. And we, those who depend on those records, need to take the necessary steps to make sure we have the capability to utilize them. We need to move forward together.

ALTA Expresses Concern over Recent Events

ALTA staff and board members express their concern to all ALTA members who were directly or indirectly affected by the September 11 tragedies. We mentioned to you in a recent e-mail that our receptionist, Jean Coisman, lost her fiancee in the Pentagon disaster. And, Sharon Sabol, executive director of the New York State Land Title Association was out of her office and her home, both located near the former Twin Towers.

At the recent ALTA convention, $700 was donated to the New York Fire Fighter's Fund in lieu of prizes at the closing banquet. And the $825 proceeds from the convention Web cast were donated as well.

It is hard to imagine that life will go on after such an event. But Mina Croson's experiences tell us that we need to look forward and bring our industry up-to-speed with technology, and that we really do perform an important function in our society today. Let's not lose sight of that.

technology corner

Internal Technology Policies: How Firm a Foundation?

by Barbara J. P. Flippo, CISSP

Policies codify the way we do business. Technology policies are those designed to define the proper business use of various information technologies and provide guidelines for their use. They should also define penalties for violation of the policy, and outline enforcement procedures.

Like the foundation of a house, internal technology policies are the primary support for every successful information technology application. In order to succeed, policies need to provide clear guidelines to staff and establish management's commitment to appropriate use. Without a strong base of policies to define suitable use, your company may experience profitability eroded by fraud, reduced productivity, and litigation. This article examines the business reasons for policy development and deployment, the risks to corporate information, and the role that internal technology policies can play in mitigating those risks.

The goal of developing sound, enforceable policies requires involving people from several different areas of the company.

Technology use policies can also be important reference documents for resolving legal disputes. Whether the issue is sexual harassment or protection of trade secrets, the existence of these policies can be used to demonstrate management's intent. Recent case law in the United States has shown that such policies are essential to demonstrating due diligence.

Developing Policies

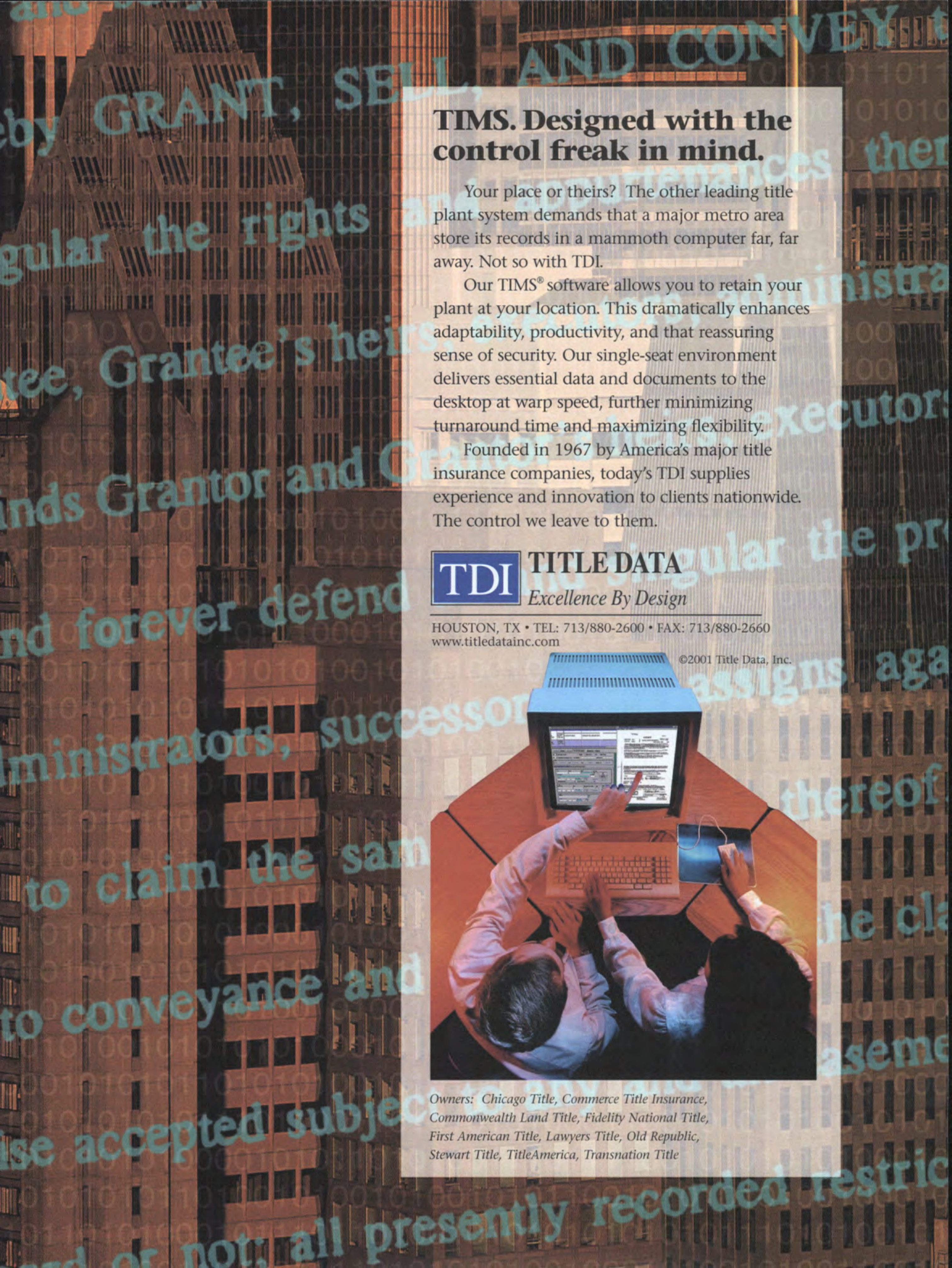
Which policies are right for your company? The answer depends on statutory and regulatory requirements, corporate culture, the information systems technology deployed, and the risks presented by these technologies. For most companies, the collection of technology policies would include those governing:

- Desktop and laptop computers
- Personal digital assistants (PDAs)
- Electronic mail
- Internet use
- Virus protection, and
- Software piracy

In the early 1980s, microcomputers became widely available to the general public, and were dubbed "personal computers," or PCs. Since that time, these machines have developed into full-fledged business technologies. As a result, the acronym PC has become a generic term for these machines and some workers have taken this literally. Newer technologies such as the PDA echo the notion that the device belongs to the employee rather than the employer. Unfortunately, this can create in some workers the attitude that whatever they do employing these technologies is their private business.

Unless your company clearly outlines its expectations about desktop and laptop computers, the company risks having the equipment used for game playing, running the employee's "side" business, or storing the employee's favorite pornographic images. At best, such activities are a waste of time; at worst, they can lead to litigation for creating a "hostile work environment."

Passwords, for example, are the keys to your company's most important information. Your company should have a policy that requires passwords in order to authenticate themselves to your


TIMS. Designed with the control freak in mind.
Your place or theirs? The other leading title plant system demands that a major metro area store its records in a mammoth computer far, far away. Not so with TDI.
Our TIMS® software allows you to retain your plant at your location. This dramatically enhances adaptability, productivity, and that reassuring sense of security. Our single-seat environment delivers essential data and documents to the desktop at warp speed, further minimizing turnaround time and maximizing flexibility.
Founded in 1967 by America's major title insurance companies, today's TDI supplies experience and innovation to clients nationwide. The control we leave to them.
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systems. The policy should inform employees of their responsibilities in the choice and safeguarding of passwords, and should prohibit password sharing.

Software Issues

A major risk for both laptop and desktop computers is the loading of unauthorized software. Loading software other than what has been authorized can lead to a variety of problems, ranging from a corrupted configuration (especially in a networked environment) to virus introduction. The Windows ™ environment remains very sensitive to changes, and seemingly innocuous software like screen savers can cause configuration problems.

In addition, software vendors place the responsibility of proper software licensing on the company rather than the individual employee. Unlicensed software—pirated software—is illegal, and getting caught with illegal software can be quite costly for your company. Your policy should place the responsibility on the employee for ensuring that any software they load on any company computer is properly licensed.

With laptop computers, theft is an additional risk. Because they are easily transported, laptops can be stolen from hotel rooms, unlocked cars, or airport baggage claim areas. A policy addressing the risks associated with laptops should include such topics as: having a startup (or boot) password on the laptop; not checking them as luggage; not leaving them in unlocked automobiles or hotel rooms; and not storing confidential information on a laptop without encryption.

Personal Digital Assistants

The risk associated with PDAs (Palm Pilot, HP Jornado, and similar devices) is one of inadvertent disclosure of sensitive material. Unencrypted, confidential information transmitted to a PDA can be compromised either by "shoulder surfing" or by intercepting the wireless signal. Unfortunately, very few devices of this type offer strong encryption. Policies regarding these handheld devices should specify that confidential corporate information must not be transmitted to or from any device incapable of encrypting the data.

Internet

When it comes to risk, the Internet is the wild, Wild West of computing technologies. The Internet gives us a way to provide our services and products to customers faster, and can be a great tool for employee productivity. However, misinformation, inappropriate material, malicious programs, and hostile outsiders can use the Internet to disrupt business flow. Although they do not provide complete protection, technology policies and their enforcement can go a long way in helping your company limit its exposure in this area.

Without the visible support and endorsement of top management, information technology policies are likely to go ignored.

That Wonderful E-mail

Electronic mail has been a tremendous benefit to companies. E-mail offers the ability to communicate quickly and clearly, without the risk of telephone tag or unclear requests. Unfortunately, e-mail also presents the greatest hazard to corporate networks. Confidential information can easily be transmitted outside the company, possibly leading to negative publicity. E-mail can become a tremendous time-waster for some employees, as they exchange jokes, chain letters, and general chitchat. While some jokes may seem harmless enough to some people, they may offend others, and cause productivity and employee morale to suffer. This flood of unnecessary electronic mail also wastes resources by creating needless traffic across the corporate network. Electronic mail has also become the vehicle of choice for viruses. Too often, company networks fall victim to the careless employee who opens an attachment promising a fun picture or the latest game. Your company should require that virus protection software be installed on every company computer, and that the software virus definitions be kept up-to-date.

While a policy requiring the use of up-to-date anti-virus software can afford a large measure of protection, the greatest deterrent is a sound e-mail policy uniformly enforced. You may want to have a policy that e-mail is to be used for business purposes only. Alternatively, you may want to adopt a slightly more liberal policy that allows infrequent personal use of the company's e-mail system.

Keep It Simple

In order to be effective, the policies should be written in simple, straightforward language. The goal of developing sound, enforceable policies requires involving people from several different areas of the company. The effort should include representatives from Human Resources, Information Technology, the Legal department, and the business or operations community. Each of these groups brings a unique vantage point to the development process.

The Human Resources representatives, for example, would most likely approach policy development from the position of good personnel practices and reflection upon the corporate culture. Legal department representatives are apt to examine the policy for vague or misleading language, and enforceability. Vague, unclear, or unenforceable policies can open the door to expensive personnel litigation. Committee members from the Information Technology department can provide advice on the severity of the risk presented if a particular facet of technology is left ungoverned by technology policies.

It is important to include representatives of the business operations community in the process of policy development. Good policies must make sound business sense. Employees are likely to ignore policies that unduly impede the ability to meet the customer's needs and desires. Policies that cost far more to implement than what they are intended to protect are wasteful.

Once these policies have been developed, higher-level management should review them before they are included in the employee handbook. Without the visible support and endorsement of top management, information technology policies are likely to go ignored.

Communicate the Results

A critical step in the implementation of technology policies is communication. By and large, employees want to play by the rules, but they need to know what the rules are. Companies should develop a separate program for communicating these policies to employees, so that they have the chance to ask questions and get clarification on issues. Additional communication such as a newsletter, Intranet presence, or periodic e-mail reminders can serve to reinforce the rules.

The process does not end once policies are developed and implemented, however. Because these policies have such a profound impact on all information technology efforts, it is very important that they be clear, and responsive to changes in the technology environment. The policies should be periodically revisited. Some policies may need to be modified, while new policies may need to be added as newer technologies arise. Still other policies may need to be discarded altogether as the technology they govern becomes obsolete.

Periodic examination of the policy documents in light of the changes in technology will keep the foundation strong.

A strong base of policies governing appropriate use of information technologies can maximize productivity gains, improve cost savings, and protect your company from litigation as well as hostile forces from the outside. Periodic examination of the policy documents in light of the changes in technology will keep the foundation strong.

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Consumers Are the Answer

by John A. Corey, CSEO

Today, it seems like everything we see and hear — television commercials, billboards, magazines, and even bank statements, is covered with www.something.com. We are now part of the "e" age and dot-com everything. What does this mean for our industry? We need to determine where our business comes from, rethink the way we obtain business, and focus on where our industry is being driven. And we need to do it before someone else decides to do it for us.

Today it seems that fast food isn't really fast enough and getting money from an ATM seems to take forever. To our industry this means that we can no longer take 5-plus days to turn around title work. We must adhere to the demands of the consumer and stop believing that it is too costly to turn our industry into an electronic wonder. There is a saying I've heard, "Grow or Die." What does that means to us? The tools to automate are not as expensive as they used to be, and now the speed in which we can automate is beyond words. So, let's take a look at where we came from and where we are headed.

We have to shift the focus of our marketing efforts to the consumer...the people who pay our bills and have always paid our bills.

The Way it Was

Years ago, lenders directed business to real estate agents, and from there it went to the title insurance company and escrow agent. Almost 20 years ago, real estate agents realized that they needed to do something in order to grasp the business first. So they started doing commercials and embarked on a massive marketing campaign. Remember the "Lookie Loo?" I do. I was just a kid at the time, but I remember. Commercials and advertising lure consumers to purchase products and services. The majority of the general public is very easily drawn in by a simple commercial or magazine ad. Now some 20 years later, we see fewer real estate commercials and about the same number of lending commercials on television and on the radio. The window of opportunity is before us so we should take a look at where, when and how to use it to our advantage.

In our industry, we traditionally hire marketing representatives to drum up business from the local real estate offices, lenders, mortgage brokers and even a homebuilder or two. The marketing representative brings the potential customer donuts, farm kits, listing kits, or tickets to an upcoming sporting event, all as potential incentives to continue to do business with his escrow officer, Sally Mae. It has been the standard in our industry for quite some time, maybe even too long now. After all, are we really benefiting from these boxes of donuts, piles of papers and labels that we so graciously continue to pay for?

It's interesting to see which companies our industry peer associations turn to for sponsorships when they are having a golf tournament or chili cook-off. Usually it's you and me, the affiliate. We donate the money, go to the event, buy $2,500 worth of imprinted golf towels and send our two best marketing representatives to sit at a hole for four or five hours. We hope that we may see someone we know and get one deal out of the whole thing. (Don't get me wrong this is a great opportunity to meet new people and network, but if you hope to re-coop your expenses, it probably won't happen.) So a few days later the marketing rep goes to the local real estate office that attended the golf tournament and tries to walk past the receptionist, (like they usually do), and they get nowhere.

How many dollars do we have to spend on these "so-called" customers until we finally realize that our true customer is the consumer: the buyer and the seller? We've allowed our industry peers to know that if they need food, leads, and a few dollars to have an open house at their office, or even a golf tournament that we're going to be there. The most amazing thing is, we keep doing it.

A Fresh Look

We need to step beyond the cutting edge, and look at business in a whole new light. We're in this business to make money for our families and ourselves.

So what do these ramblings about agents and software have to do with "consumers.com?" A lot! We have to shift the focus of our marketing efforts to the consumer. Though there are many consumers that don't want to change from traditional means of conducting business, many others are moving to "e-commerce." In addition, because customer service is declining, we really need to focus on the people who pay our bills and have always paid our bills. I cannot begin to tell you the number of times I've corrected our agents and lenders when they say, "You're charging me $100 to prepare that? Isn't that what your escrow fee is for?" Who is the "me" they refer to? Isn't the consumer the one footing the bill for all of us? Ok, so maybe that's a little harsh, but it's true and we all know it. (We just never say it out loud.)

So how are we going to make some money with all this state-of-the-art equipment and software? (Noting that we spent the money to help the agents and lenders, at no cost! WHY?) First, we're going to look at how our current clients use the information we give them. This is so simple, and the fact that we haven't been doing it ourselves is beyond me. The Realtor orders his/her farming kit from our marketing representative for a certain area or subdivision where they want to list or sell homes. Our organization generates a farming package based on the criteria provided to the marketing representative by the client. We produce a listing of the current homeownership information and usually a few hundred mailing labels that match up to the list. But, you already knew that. So now what? I'm suggesting you take your marketing efforts one step further.

To do this, create flyers about yourself, your company, employees and the services you offer. Make the focus of the flyer, "If you are buying, selling or refinancing your home, then remember to ask for XYZ title company to handle the transaction." Creating flyers with the software programs available today is so simple, that it is unbelievable that we are not doing this already. Part of the flyer should contain information about your experience, employee's industry experience and a brief explanation about the services you can provide.

Next, ask your employees what subdivisions they live in. Mail these flyers to those subdivisions, and see what response you receive. This is how real estate agents and lenders solicit business, and if it works for them, it should work for us. Try this, and you will see a continued increase in your business over a few months, if not sooner. You need to remember to do this on a monthly basis, sending to other subdivisions or housing tracks and then to listings by zip code.

Face to Face

We usually only interact with our consumer client one-on-one for 15 minutes to an hour. It is during this time that we can increase our bottom line. We should take this opportunity to thank them for their business and answer their questions. Too many times our own employees make that customer feel as if they are inconveniencing them. We need to educate our employees — just as we will educate the agents and lenders — that it is that buyer, seller and borrower who is paying the bill. So you've thanked the consumer, now what? How about asking them for their future business, just like we ask the agent and the lender? You'll be surprised how many calls you will receive. Every time we close a transaction and issue title insurance we make money, so every transaction should be treated as a

We need to determine where our business comes from, rethink the way we obtain business, and focus on where our industry is being driven.

stepping-stone for increased revenue. Let's teach our employees to look at the buyer/borrower and seller as a dollar sign instead of a headache.

How many of our escrow/closing personnel actually realize that title insurance is a fantastic product that we sell on almost every real property transaction we handle? More importantly, how many of them understand the product? Quite often I have opportunities to speak to closers, title agents, realtors and lender across the country. I often talk about title insurance. When I'm done, the audience is excited and motivated and I usually hear that they had no idea we had these products, that their companies never told them. We need to educate our employees that this is what generates the majority of our income. We also need to teach them how to explain the importance of the product to the consumer. Additionally, we should educate our industry peers about why it is so important for the consumer to have our product.

Education is Key

You may or may not be surprised, but about 70 to 80% of our industry peers have no idea what title insurance is and why their clients need it. They usually respond when asked, "It's just required." Required? There is no national law that I know of that says you are required to have title insurance if you buy, sell or own real property. Title insurance is a safeguard, something that every owner should have and every buyer should obtain. In a perfect world, yes, I'd say require it! Also, why not take every opportunity that comes with refinancing and/or secondary financing to offer the consumer the ability to obtain a new owners policy? Maybe it has been 10 or 15 years since the original policy issue date. We can now offer the new ALTA Homeowner Policy to them. Offering additional security for the homeowner's property is simple to explain, and will provide additional revenue for us. Develop informational pamphlets so staff will understand the title insurance products you offer. Train the marketing staff on what they sell and teach them to sell it.

Focus on generating revenue to increase your profits. We're now creating the new "super closer" — the employee that sells, closes and has the technical knowledge to back up the whole package and increase the profit margin.

"Times They Are a Changing!"

Remember, our industry is changing and so is the way we do business and interact with our clientele. We need to look at things differently and focus on making them beneficial to our organizations. We need to make our products and services "must-haves." We need to redirect our focus as service providers to our clientele, the consumer. We need to open our minds and stop saying things like, "That's not going to happen for a least 10 or 15 years, so I don't have to worry about it!" In reality, that time frame, thanks to modern technology, is more like one or two years.

Realizing that the consumer is directing the way in which we will do business, it's dually important to redirect the focus to the consumer, as well as to the technology that is driving us in the same direction. Grow in your thinking process and how you do things. My current vision is that someday in the very near future we will issue renewable "owners" and "lenders" policies and the lender will most likely impound for the future premiums just like they do with PMI and Hazard Insurance.

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Initial Comments on HUD Statement of Policy 2001-1

by Sheldon E. Hochberg and Ann vom Eigen

On October 15, secretary of HUD Martinez announced "several bold steps toward significant reform and simplification of the homebuying process." This announcement was the culmination of the secretary's meetings with consumer and industry groups (including a meeting with ALTA representatives) to discuss RESPA reform. Rather than recommending wholesale revision to RESPA or a new exception to Section 8, the secretary's steps include a new HUD Statement of Policy that addresses two issues: (a) disclosure obligations of mortgage brokers and the legality of so-called "yield spread premiums" paid to mortgage brokers by funding lenders, and (b) the scope and coverage of RESPA §8(b) and its application to mark-ups and other charges by settlement service providers. In addition, secretary Martinez indicated that HUD was committing an additional $1.5 million to RESPA investigations and enforcement.

Of particular interest to the title insurance industry is the fact that the secretary's reform package did not include any proposal for a new exception to Section 8 for lender-packaging or lender-payment of settlement services, an option that in the past has been opposed by the title insurance industry. Further, the enforcement process at HUD will remain the same. Written complaints from consumers or competitors, which HUD believes merit investigation, will be referred to outside contractors. The greatest effect on our industry will be that settlement service providers (defined under RESPA to include mortgage lenders, mortgage brokers, and title insurance underwriters and agents) that engage in marking up the charges of their own or other providers can expect to see greater scrutiny of those practices by HUD and bank examiners. We may also see an increase in consumer litigation involving such practices. ALTA is scheduled to meet with HUD officials later this month to discuss the implications of the policy statement on the industry.

HUD has appeared to conclude that charges made by settlement service providers can be subject to §8(b) attack if it can be argued that the charge "exceeds the reasonable value" of the service rendered.

Mortgage Broker Fees and Yield Spread Premiums

In a recent decision (*Culpepper v. Irwin Mortgage Corp.*, 253 F.3d 1324 (11th Cir. 2001)), the U.S. Court of Appeals for the Eleventh Circuit concluded that an earlier HUD Statement of Policy on the circumstances in which yield spread premiums (YSPs) paid by funding lenders to mortgage brokers may constitute violations of RESPA §8 was ambiguous and that such payments could be the subject of a class action if the YSPs were based solely on the interest rate on the loan produced by the mortgage broker. In response to that decision (and at the urging of the mortgage brokerage industry), the HUD Policy Statement reiterates HUD's position that, in considering the legality of a YSP payment, (a) it is necessary to look at each transaction individually, examining all of the services provided by the broker and all of the compensation received from both the borrower and the lender, and (b) the total compensation received by the broker must be reasonably related to the total set of services performed. The first position is directly at odds with the Eleventh Circuit's approach of focusing on whether the lender's YSP payment, standing alone, represented compensation for services rendered.

While the mortgage brokerage industry will be happy to have this reiteration of HUD's views, which would, if followed by the courts, make it difficult to maintain class actions in most YSP cases (because of the need for individualized proof of the services performed and compensation received in the individual transactions), the Statement of Policy contains several statements that may prove to be of concern to mortgage brokers and lenders. In particular, HUD indicates that: because HUD believes the "purpose of the yield spread premium . . . is to lower up-front cost(s) to the borrower," the receipt of a YSP that is not accompanied by a reduction in up-front cash charges to the borrower may be a violation of §8; it is "prudent for a lender to take action so as to ensure that brokers are performing compensable services and receiving only compensation that, in total, is reasonable for those services provided;" and "meaningful disclosure" by a mortgage broker "includes many types of information: what services a mortgage broker will perform, the amount of the broker's total compensation for performing those services (including any yield spread premium paid by the lender, and whether or not the broker has an agency or fiduciary relationship with the borrower) . . . and should identify the specific trade-off between the amount of the increase in the borrower's monthly payment (and also the increase in the interest rate) and the amount by which up front costs are reduced."

Scope of RESPA §8(b)

The second part of the Policy Statement discusses "unearned fees" and how RESPA §8(b) applies to such fees. This discussion addresses —and seeks to undermine—several recent court rulings (most particularly, the decision in *Echevarria v. Chicago Title and Trust Co.*, 256 F.3d 623 (7th Cir. 2001)) that §8(b) only applies where a party has paid a portion of its fees to a third-party who has not performed services to justify that payment, but may not apply to "mark-ups" where the party marking up another party's fee retains a portion of the fee paid by the consumer without rendering services. Two aspects of the Policy Statement on this subject are worth noting.

First, HUD reiterates its long-standing position that §8(b) applies in the "mark-up" situation and that it is irrelevant whether the person paying or the person receiving the portion, split, or percentage of the charge paid by the consumer has failed to render any services that would justify the split paid or retained. This statement may cause many courts to apply HUD's view, rather than the views reflected in the Echevarria decision.

Of greater concern however, is the discussion on the applicability of §8(b) to a charge by a "single service" provider who does not split that charge with any third-party. In HUD's view "(a) single service provider also may be liable under Section 8(b) when it charges a fee that exceeds the reasonable value of goods, facilities, or services provided." This statement will likely generate more controversy than any other aspect of the Policy Statement. There are good arguments that this is an incorrect interpretation of the RESPA statute and several courts have already rejected HUD's interpretation. Moreover, HUD has never provided substantive guidance on how it would (or a court should) determine the "reasonable value" of a settlement service. Indeed, any attempt to establish the reasonable value of a settlement service would be at odds with the legislative history of RESPA, in which Congress expressly rejected the approach that HUD (or the courts) should engage in federal rate regulation of settlement service charges.

In short, while providing no guidance on when a charge is reasonable and when it is unreasonable, HUD has appeared to conclude that charges made by settlement service providers can be subject to §8(b) attack if it can be argued that the charge "exceeds the reasonable value" of the service rendered. It is likely that many settlement service groups will be concerned by this aspect of the Policy Statement and it is far from clear that the courts will find HUD's interpretation to be consistent with the statute.

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Using Your Grassroots Network for PAC Fundraising

by Robert C. Blumel

Eventually, everyone who has done fundraising at any level will hear that famous phrase:

"That won't work here."

It's something fundraisers expect to hear each time they start a new campaign or bring on a new client. The reality is that although there is no magic formula to plug into every situation; there are tried and true methods that can work in most situations. In this article, you will learn what the experts do to create a successful campaign.

Recently, I contacted some of the title industry's most able fundraisers – agents and underwriters who have excelled at raising money for the ALTA's Title Insurance Political Action Committee (TIPAC). As the leaders in our fields they have some great ideas on how to utilize a grassroots network for a national association PAC fundraising effort.

Without a coherent message, your effort will fail. Your message must give a clear-cut reason why your audience should contribute.

In my former life as a campaign operative and committee fundraiser, I had the great fortune of working with some of the most successful fundraisers in the country. I also contacted some of them to get their opinions on implementing a successful fundraising effort.

Most fundraising can be divided into three categories: PAC (Political Action Committee), candidate, and committee or national party fundraising. While they are all related, each has its own set of rules and structures, and it is important to be familiar with those rules before starting any effort.

Candidate fundraising is generally straightforward. A candidate will have a platform of three to five issues that he or she highlights in their speeches. The fundraiser generates a letter highlighting select issues and where the candidate stands on each issue. The letter appeals to the audience personally—to tangible things that affect them. These letters go to individuals, since candidates for Federal office may not accept corporate dollars.

Committee fundraising is much less tangible and speaks more to the audience's beliefs. National Party Committees exist to raise large sums of both federal and non-federal dollars. Federal dollars (or hard dollars) are monies that may be used for direct candidate support. These hard dollars are donations from individuals. Non-federal (or soft dollars) are monies that may not be used for candidates specifically, but may be used for party building and independent expenditures. Soft dollars are contributions from corporate entities. National Committees raise large sums of money for many candidates in order to give their political party the political edge in Congress.

In Committee fundraising, the appeal is to the individual's dedication to their particular party. In some respects, this makes the fundraising effort more dynamic and less bound by specific issues than a candidate-based effort.

PAC fundraising is a combination of the two. Fundraisers work within the construct of the industry or organizational mission statement, and have latitude to attach significance to specific issues that affect their industry or mission.

PACs may accept both hard and soft dollar contributions, but may only use hard dollars when giving to specific candidates. Again, soft dollars may be raised, but they can only be used for further fundraising or for third-party expenditures (i.e. radio, TV, or print ads), which are not directly for, or in collusion with, a specific candidate. In every case, there are rules that must be followed.

Getting Started

According to Mike Wille, president of The Title Company, Inc., and chairman of TIPAC, asking is the first hurdle. "If you don't ask, you don't know." Persistence following your initial request is important, too. "Successful people who are often solicited for contributions are very busy, with not much time to focus on what might seem incidental to their business. You have to keep up with them to explain why they should give and how it can help them. Good follow-up will ensure that you maximize your contributions."

But, before you ask, do you know why you're asking? Are your message and mission clear? Without a coherent message, your effort will fail. Your message must give a clear-cut reason why your audience should contribute.

Ed Rahal, the well-known and well-respected director of corporate affairs for the National Republican Senatorial Committee, points out that, when it comes to your message, keeping it simple is the best strategy. "Keep the message to one or two salient points; easily condensed and easy to explain. People don't want a lesson, they want a reason."

His point makes sense. In any communication, either via letter or via phone, get to the point quickly. Tell the person why you've contacted them and what you want. They will appreciate your candor and brevity.

Hard or Soft Dollars?

What kind of contributions are you looking for? With hard dollars you are soliciting individuals, so your request must be structured to appeal on a more personal level. Soft dollars are corporate giving. Although a light touch is necessary, corporate giving is an accepted practice, and an entirely different, more business like tact is called for.

Mike Pryor, president and CEO of Lenders Title Company, and TIPAC state trustee from Arkansas, said he turned his program around with, "Dogged persistence and determination." He turned a total of $50 in donations last year to more than $4,000 this year. According to Pryor, raising hard dollars in Arkansas was a matter of making the issues important to his colleagues, and "a little friendly arm-twisting." He also knew whom he was asking and what "pressed their buttons." Pressing buttons leads us to the next point.

Determine Your Audience

Now that you have developed your message, you need to determine the appropriate audience(s). A good marketing strategy is key to your success. Tailor your message to suit each audience. Don't necessarily change your message, but understand which parts of it appeal to each subgroup you are trying to reach. In the case of TIPAC, underwriters and agents do not always respond to the same stimulus; you will need to tell the underwriters about how the PAC is important to them on the Federal level. And agents need to be convinced of the impact of the PAC's efforts on the local level. Make sure you have a developed message; a generic message will not work.

When communicating your message, remember that to encourage people to donate, you need to motivate them. Cara Detring, past-president of ALTA, and a tireless grassroots activist suggests, "Recognition is a terrific motivator. Not only are you recognizing someone for outstanding achievement, but also you put him or her in the spotlight. People always work harder and produce more when their peers are watching."

Is it Legal?

This may seem like a forgone conclusion, but FEC rules are very clear. If you have questions, it is always a good idea to ask someone who knows the answers. The FEC has a long history of being extremely helpful when it comes to answering questions.

Ann vom Eigen, ALTA's legislative and regulatory counsel stated, "ALTA members approach TIPAC fund-raising with enthusiasm. Understandably, they often want to implement strategies that have worked successfully in other situations. For example, many of our members are active with local charities, such as with the American Heart Association, and have run successful auctions and raffles. Unfortunately, the Federal Statute authorizing PACs, and the FEC rules are designed to prevent corporations from both unduly pressuring employees, and from giving employees corporate funds, which could then be converted to personal contributions to Federal candidates. Consequently, FEC rules, for example, limit the solicitation base for an auction to

A good marketing strategy is key to your success. Tailor your message to suit each audience.

association members, and require that you raise at least three times the amount of any corporate donation at an auction before you can treat proceeds as a profit for a Federal PAC. These restrictions can limit not only the timing and location of an event, but can turn good fundraising ideas into a net loss for the PAC. It's extremely important to check the law before beginning to plan a new event. It's horribly frustrating for all of us involved in these efforts, but these rules can't be ignored."

Create a Plan

Creating a clear plan will ensure a more successful campaign. Will your campaign be multi-faceted? Nationwide? Statewide? Will you use the mail to solicit donations, or a raffle or reception? Perhaps a combination of tactics would work best. There are so many ways to raise money. Determine which one(s) are better suited for your needs. A good finance plan is needed before you solicit the first dollar.

Amy Ford Bradley, a long-time political operative and seasoned fundraiser, points out that, "Developing a strategy before mailing the first letter or invitation will go a long way toward ensuring that there are no snags down the road. Determine your audience, your goals, and your budget, then build your strategy around those parameters."

Generally, most PACs will ask current donors to network with their contacts to attract new donors. Start with executive level staff from a member company. A letter from the president of a company emphasizing the importance of a certain PAC and asking his/her employees to give to that PAC is usually very effective. In any case, the author of the letter needs a clear message from the PAC, knowledge of his/her audience, and should be a respected person.

Jan Alpert, president of LandAmerica Financial Group and a TIPAC trustee, has had many fundraising successes. Her method? "Pester the people you know. Go after the people you work with, and get them to work for and believe in your effort. People only need a reason to give. Be that reason." Alpert should know, due in large part to her efforts, the Southeast has one of the largest concentration of TIPAC members.

In addition to agents and underwriters, state association presidents usually have equal pull when it comes to drawing new donors to the cause. If you have a state land title association, the association will usually elect someone to represent them on the Federal level. This person should have the respect of his/her members, and should be involved in your issues at the same level as your audience. A letter signed by a respected peer is almost always effective in a fundraising drive. Naturally, a phone call should follow every letter.

Using your network of business and association contacts for fundraising is not a new idea. Simply being aware of the facts and being knowledgeable about the specific tactics for each type of fundraising will go a long way toward moving you closer to your goals.

Robert C. Blumel is ALTA's grassroots manager. He can be reached at robert_blumel@alta.org or 1-800-787-2582.

Get Involved in ALTA's Grassroots Efforts

On the national level, ALTA keeps track of issues that affect the title industry. But we cannot do it alone. We need the help of ALTA members to get our messages across. If you know a member of Congress, please let Rob Blunnel, ALTA's grassroots manager know. Your introduction to the member, your visits, and correspondence will help ALTA keep Capitol Hill informed about issues of concern to our industry. We encourage you to start a relationship with your member of Congress, if you have not done so already. They are our advocates.

For more information on how you can help, contact Rob Blumel at robert_blumel@alta.org.

Viewpoint

by R.K. Arnold

Now that we're profitable we can focus even more of our attention on product improvements. We've listened to your suggestions over the years and hopefully addressed many of them to make MERS the best it can be.

In this issue, you'll learn more about a significant change in our registration policy and about two new products: MERS®1-2-3 and MERS Commercial. These all reflect the growth of MERS as an industry standard and help streamline the loan registration process.

The policy change requires that if a member originates a MERS loan, then the loan must be registered on the MERS® System even if it will be sold to a non-MERS member. It recognizes the fact most of the major lenders in the United States are buying MERS registered loans.

The new products open the MERS® System up to more new users and enable current users to gain more benefit from the system. MERS®1-2-3 will streamline the registration process and make it easier for wholesale lenders to get their correspondent lenders to deliver MERS registered loans. MERS Commercial will make the MERS® System available to commercial lenders. Many commercial lenders have long wanted to use MERS because the advantages are compelling.

As MERS moves forward into our seventh year, we're proud of our past successes and look forward to serving you in new ways.

MERS Begins Development of New Product - MERS®1-2-3

Several of our members have asked us to find ways to help them more rapidly convert their correspondents and brokers into MERS® Ready trading partners. We have also been investigating ways to integrate MERS® Lite members more efficiently.

MERS®1-2-3 has been conceived to address these needs, and development began in October 2001.

Many of these lenders use doc prep services to generate their closing documents. MERS®1-2-3 will leverage the doc prep services to simplify MERS registration through a three-step process. First, create a browser-based facility for generating MINs. Second, establish relationships with doc prep companies whereby our browser-based MIN generation facility provides an interface to the service to ensure the MIN is accurately presented on the MOM security instrument and to warehouse the data in a preliminary MERS registration file. And third, enhance the existing browser-based MERS registration facility MERS® OnLine) to retrieve the warehoused data to pre-populate the fields, thereby eliminating approximately 90% of the required data entry.

Non-members will be able to realize the benefits through a member aggregator's private label branding of MERS®1-2-3. For those members that do not control their broker/correspondents' document preparation, non-members will also be able to generate the MIN and request document providers to prepare an assignment to MERS that includes the required MERS language. MERS®1-2-3 will be accessed through a secure, browser-based interface that utilizes data encryption when transmitting personal or otherwise sensitive data.

Our goal in developing MERS®1-2-3 is to facilitate a better, faster, and more cost-effective registration system that encourages all lenders to utilize MERS. The browser-based environment will eliminate the need for lenders to access desktop software when creating or requesting a MIN. The re-use of transmitted data from document preparation vendors will reduce the amount of data entry required by the lender. The result will be increased data integrity and a more streamlined registration process.

Contributors to the development of MERS®1-2-3 are GreenPoint, RBMG, and Principal Residential. If you wish to help support the continued development of MERS®1-2-3, please contact Dan McLaughlin at 800-646-MERS (6377) or via email at danm@mersinc.org.

MERS Updates Registration

In the past, we have waived the registration requirement when a member records a MOM security instrument and sells the loan to a non-MERS® Ready investor. We are phasing out the registration waiver to enhance service quality. Beginning January 1, 2002, all newly recorded MERS as Original Mortgagee (MOM) security instruments must be registered on the MERS® System.

We are also reducing from 30 days to 10 calendar days after the Note Date the time by which a loan closed with a MOM security instrument (MOM loan) must be registered on the MERS® System by the seller. (The buyer of a nonregistered MOM loan is allowed an additional 10 calendar days in which to register the loan on the MERS® System.)

In addition, the seller must initiate all Transfer of Servicing Rights transactions within 14 calendar days of the effective transfer date. As always, if a specific investor's requirements are more stringent than the MERS requirements, the investor's requirements supercede MERS policy.

Please contact your technology providers to ensure that they can meet these requirements.

If you have any questions about or need assistance with implementing these changes, please call the MERS HelpDesk at (888) 680-6377.

Straight Talk

by Sharon Horstkamp

Placing the MIN on the Security Instrument

For the last couple of months, some members have asked us if the MIN (Mortgage Identification Number) is prohibited on recorded documents under the Gramm-Leach-Bliley Act (GLBA).

We were asked this question because there were rumors that the mortgage loan account numbers would no longer be allowed under the Act. Our answer at that time was that the MIN was not an account number, and as a universal tracking number, it did not fall under the definition of an account number under the Act even if the loan number was prohibited.

It was determined the loan account number is not prohibited.

This decision is confirmed in a letter dated September 4, 2001 by the federal banking agencies, the FTC, and the National Credit Union Administration stating that the GLBA does not prohibit mortgage lenders from placing the borrower's loan number on documents recorded in public records.

We hope this clears up any concerns you may have regarding placing MINs on security instruments.

If you have any questions regarding placing the MIN on the security instrument, please feel free to contact Sharon Horstkamp at 800-646-MERS (6377) or via email at sharonh@mersinc.org.

MERS®
1595 Spring Hill Rd,
Suite 310
Vienna, VA 22182
(800) 646-MERS (6377)

Communications Manager
Kathleen McNeilly,
kathleenm@mersinc.org.

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YOUR BOTTOM LINE
AMERICAN LAND TITLE ASSOCIATION'S
Tech Forum 2002
The Fairmont ▸ New Orleans
February 17-19, 2002

SCHEDULE AT A GLANCE

Sunday, February 17, 2002

4:30 - 6:00pm	General Session — Secondary Market Leaders Speak Out
6:00 - 8:00pm	Kick-Off Reception & Expo Premiere
6:00 - 8:00pm	Exhibits Open

Monday, February 18, 2002

8:00am - 5:30pm	Exhibits Open
8:00 - 9:00am	Continental Breakfast in the Expo Hall
8:30 - 10:00am	General Session — Strategies of the National Title Underwriters
10:15 - 11:15am	Educational Sessions
11:30am - 12:30pm	Educational Sessions
12:30 - 1:45pm	Lunch in the Expo Hall
2:00 - 3:00pm	General Session — Blueprint for Success: The Mega-Agents
3:15 - 4:00pm	Vendor Sessions
4:15 - 5:00pm	Vendor Sessions

Tuesday, February 19, 2002

8:00am - 12noon	Exhibits Open
8:00 - 9:00am	Continental Breakfast in the Expo Hall
8:30 - 9:30am	Educational Sessions
9:45 - 10:45am	Educational Sessions
11:00am - 12noon	Educational Sessions
12noon - 1:30pm	Closing Lunch & General Session — County Recorders Tell All

GENERAL SESSIONS — HIGHLIGHTS

Sunday, February 17, 2002

4:30 - 6:00pm

Secondary Market Leaders Speak Out

Representatives from Fannie Mae and Freddie Mac will discuss the electronic closing process and the future of the real estate and mortgage finance industries. Will title insurance have a place? What demands will be placed on title professionals in the quest to create the instant mortgage? How will business and customer relationships change and how can you position your company to come out ahead? Join us for this opening General Session - a great beginning for Tech Forum 2002.

Monday, February 18, 2002

8:30 - 10:00am

Strategies of the National Title Underwriters

Moderator Stanley Friedlander returns for a third consecutive year to discuss current industry trends and forecast next-step strategies for title insurance companies. Representatives of the largest national underwriters form the not-to-be-missed panel of experts. Will e-closing and e-mortgages finally become the norm rather than news? How will consumers benefit from the faster-better-cheaper promises of e-commerce in the real estate sector? Learn where the industry leaders believe we are headed and discover how your business can be a successful survivor in the revolution.

Monday, February 18, 2002

2:00 - 3:00pm

Blueprint for Success: The Mega-Agents

What are the secrets of success shared only by the mega-agents? Moderator Ken Lingenfelter leads this informative discussion with a panel of ALTA's mega-agent members. E-commerce strategies, sales and marketing, workflow, and remote operations management are all part of the current landscape. Learn how these accomplished agents focus their energies and efforts to create the largest and most successful title businesses in the country.

Tuesday, February 19, 2002

12noon - 1:30pm

County Recorders Tell All

What do you need to know to work seamlessly with your county recorder? As a provider of services to you and your customers, the county recorder can be a strong ally - or your worst enemy. Electronic filings, technology strategy, and working with other county recorders to develop national recordation standards are just a few of their vital interests. Because the recorder's office is often looked upon as a county's "cash cow," the recorder's role is a challenging one as tight budgets make technology implementations and general improvements difficult. Don't miss this final General Session designed to "wrap up" Tech Forum 2002.

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

EDUCATIONAL SESSIONS — TRACKS

Operations Management

- **Improved Efficiency through Streamlined Workflow - Part I**
- **Improved Efficiency through Streamlined Workflow - Part II**
- **Internal E-mail & Internet Policies**
- **Will your Vendor Be Here Tomorrow?**
- **New Computers - Buy or Lease?**

Strategic Technology Management

- **Total Cost of Ownership**
- **Dot-Coms Fail; Title Companies Win!**

Marketing & Sales

- **Get your Marketing onto the Internet**
- **Contact Management Solutions 24/7/365**
- **Diversify & Conquer: It's not just Title Anymore**

Advanced Technology

- **Wireless World**
- **Remote Offices: New Connectivity Options**
- **Protect your Valuables: System Security, Firewall Protection**
- **Almost Free Long Distance: Voice-Over IP, the New Low-Cost Model**
- **Best Image Storage Practices: Options and Solutions**

The Future is Now

- **Privacy: Are You Ready to Comply**
- **The Paperless Office: Managing the Cultural Change**
- **Electronic Signatures: Digital vs. Digitized**
- **Electronic Closing**
- **Transaction Management**

For full program information please visit www.alta.org

Hotel Information

The Fairmont New Orleans is a true legend in New Orleans. Built in 1893, it stands adjacent to the world famous French Quarter, welcoming guests who seek historic surroundings coupled with New Orleans' sultry culture. Its distinctive guest rooms are well-appointed with state-of-the-art amenities, while the elegant meeting rooms offer the perfect venue for ALTA's Tech Forum 2002.

The ALTA room rate at The Fairmont New Orleans is $195/single, $215/double per night, plus tax. Make your reservations now by calling 800-866-5577 and state that you will be attending ALTA's Tech Forum 2002. The cut-off date for room reservations is January 25, 2002.

Airline Information

Delta Airlines is the official air carrier for ALTA's Tech Forum 2002. Call 800-241-6760 and reference file #182015A to connect with discount airfares to New Orleans.

AMERICAN LAND TITLE ASSOCIATION'S

Tech Forum 2002

Important: Please read carefully

1. Full payment for ALTA's Tech Forum 2002 must accompany this form.

2. Your fully-paid registration must be received by January 25, 2002, to qualify for discounted registration fees.

3. Refunds & Cancellations: Refund requests received in writing by January 22, 2002, will receive a full refund, less a $50 processing fee per registrant. No refunds will be made after January 22, 2002. Substitutions, however, will be permitted.

Questions?

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

Mail

Return this form with payment to:

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

Fax

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

1-888-FAX-ALTA or 202-223-5843

Online

Register online at: www.alta.org

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

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

First Name | MI | Last Name | Badge Name

Company

Address

City | State | Zip Code

Phone | Fax | Email

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

Additional Attendee 1 | Additional Attendee 2 | Additional Attendee 3

2. Registration Type

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

	Before 1/25/02	After 1/25/02
ALTA Active/Associate Member	❑ $495	❑ $545
Non-Member	❑ $595	❑ $645
Additional Attendee Member	❑ $445	❑ $490
Additional Attendee Non-Member	❑ $535	❑ $580

3. Optional Tickets

Check option and enter the amount in Payment Options Section.

❑ Extra Opening Reception Ticket $50

4. Payment Options

Total Registration Fees (Section 2): ____________

Total Optional Tickets (Section 3): ____________

Total Enclosed: ____________

Payment Method:

❑ Check ❑ American Express
❑ VISA ❑ MasterCard

Printed Name of Cardholder

Card Number | Exp. Date

Signature

AMERICAN LAND TITLE ASSOCIATION

member news

Movers and Shakers

California

Chip Carmer has been promoted to the position of vice president and division manager for Santa Clara County at First American Title Insurance Company, San Jose. He most recently served as vice president and national accounts manager with First American Title's Phoenix office. Carmer joined First American in 1993 as division president in Corpus Christi, TX.

Connecticut

Richard A. Lawrence has been appointed chief financial officer for Connecticut Attorneys Title Insurance Company, Rocky Hill. Prior to joining CATIC, Lawrence was senior vice president, CFO and treasurer of ACCEL International Corporation.

Illinois

Jerry Hobfoll has been named regional underwriting counsel for Metropolitan Title Company, Chicago. Hobfoll has over 25 years experience in the title and real estate industry. Prior to joining Metropolitan Title, Hobfoll worked in the commercial division of Chicago Title.

New Jersey

Allen J. Exelby has been named chairman of the board and chief executive officer of the New Jersey Title Insurance Company, Parsippany. Exelby, a 24-year veteran of the title insurance industry, has managed title operations in MT, WA, DE and NJ.

New York

William Welge recently joined Realty Data Corporation, Mineola, as director of sales, marketing and business development. Welge has over fifteen years experience in these areas.

Pennsylvania

Evan Zanic has been hired as Western Pennsylvania area manager for First American Title Insurance Company, Pittsburgh. Zanic has nearly 25 years experience in the title and real estate industries. **Allan (L.J.) Dreeland**, Esquire, has been promoted to assistant vice president/agency representative for Western Pennsylvania also for First American Title, Pittsburgh. Dreeland has nearly a decade and a half experience in the title insurance industry.

Virginia

LandAmerica Financial Group, Inc., Richmond, announces three appointments. **Ross B. Wagner** has been appointed senior vice president of national affiliated business development. Wagner joined LandAmerica in 1994 as Ohio state agency manager for Lawyers Title Insurance Corporation. In 1999, he moved to the headquarters in Richmond. **Norman A. Essey** has been named vice president/account manager for the National Affiliated Business Division. Essey, also a 12-year veteran, worked most recently as commercial sales/operations head and counsel for a large agency in the Midwest. And, **Neil J. Singer** has joined the company as senior vice president, e-strategy integration. Singer served most recently as senior vice president and chief technology officer at Homebytes, Inc.

new ALTA members

Active Members

Alabama

Sherry L. Self
Valley Title Company, Inc.
Hamilton

Georgia

Laurie J. Berry
LJB Title Services
Atlanta

Nan E. Green
Sole Proprietor
Atlanta

Janice G. Ligon
Ligon Abstracts
Cusseta

Michigan

Phillip T. Savich
Savich & Savich, PC
Auburn Hills

Nebraska

Loretta M. Hagedorn
Area Abstract & Title Co.
West Point

Ohio

Pat Rosen-Gray
CRS Title Agency, Inc.
Mayfield Hights

Pennsylvania

Scott L. Perry
Paralegal Specialist Services
North Huntingdon

KUDOS

Herschel Beard Named Title Person of the Year

J. Herschel Beard, owner, Marshall County Abstract Co., Madill, OK, has received the "William 'Bill' Gill Title Person of the Year Award" from the Oklahoma Land Title Association. The award recognizes Beard for his many years of dedicated professional service to the Oklahoma title industry.

Beard, a third generation title person, has served on all positions of the OLTA Board, including president in 1992. He was a member of, and chaired, the OLTA Education Committee for many years. He has also been active in the American Land Title Association, serving as a member of the Education Committee for 10 years, and as chair of the committee for the past four years.

One fan, who asked to remain anonymous said, "Herschel is one of the most dedicated title people I know. This is not just a job for him, it goes back much further and deeper. I mean it in a good way when I say that Herschel is a lifer!"

Glen McMullin Named Title Man of the Year

Glen McMullin, vice president of Independence County Abstract, Batesville, AR, has been named Arkansas Title Man of the Year. He earned this distinguished honor due to his continuous service to ARLTA and the title industry.

McMullin is an ARLTA past president, has served on various committees, and has taught a "Preparing for the Abstracters Exam" class at all ARLTA seminars for many years. He is an expert in his field and brings this knowledge to persons who attend his class.

Mergers & Acquisitions

Capital Title Group, Inc.'s California unit, **New Century Title Company**, has agreed to acquire BridgeSpan Title Company's title and escrow operations for the northern California counties of Santa Clara, San Mateo and Sacramento.

First American Title Insurance Company, Santa Ana, CA, will acquire Salt Lake City-based The Associated Group, which consists of Associated Title Company, Associated Escrow Company, Western National Title Insurance Company, and Alliance Home Warranty.

Security Title Services of Indianapolis has acquired southwest Indiana's Evansville Titles Corporation.

Iowa Title Company, Des Moines, the abstract and title subsidiary of Iowa Realty, has acquired United Title Company of Cedar Rapids.

Metropolitan Title Company, Howell, MI, has acquired the stock of Old Republic Title Agency of Columbus, Inc., in Ohio.

Send Us Your News

Do you have news to share about a new job, promotion, or award you have won? Send it to the *Title News* Editor at ALTA, 1828 L St N.W. Suite 705, Washington, DC 20036 or lorri_ragan@alta.org

new ALTA members

Virginia

Brenda D. Morgan
Title Research
Jamaica

Associate Members

California

Sherry Popovich
Micro General
Santa Ana

Minnesota

Judy Wiesner
US Recordings
St. Paul

Canada

Kelly Bonesky
Information Service Corporation
Regina

Marketplace

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

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

SAMPLE: HELP WANTED
Lead Abstracter wanted for three-county Kansas operation, Must be licensed or comparably qualified. Send resume, particulars, to PO Box 888, Kansas City, KS

SAMPLE: SALE
Title Plant for sale. Florida location. Microfilm, documents and tract books cover county for more than 50 years. Computerized posting.

Title News Advertisers