

May/June 2003

Title NEWS

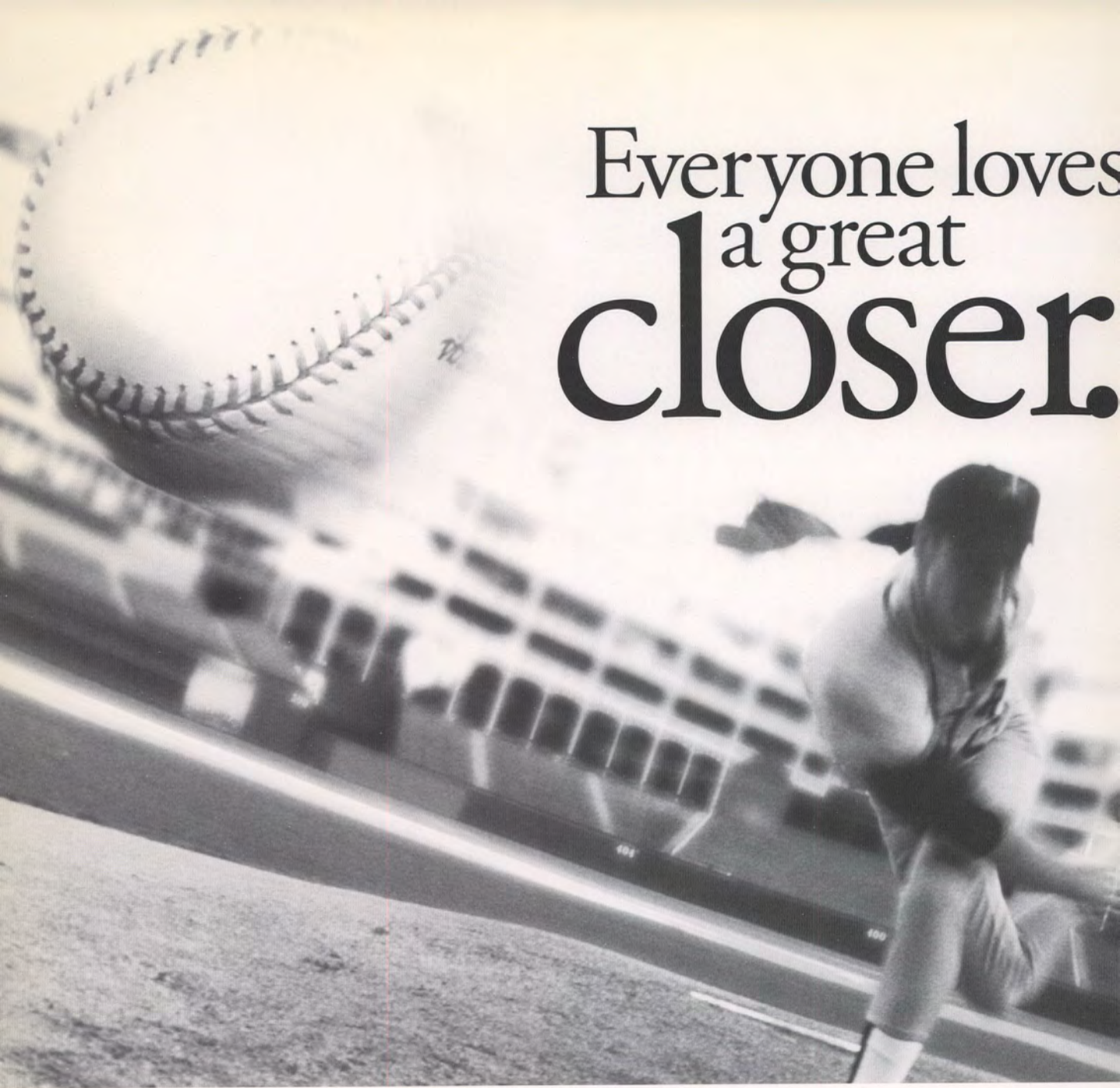
Official Publication of the American Land Title Association

AGENTS AND UNDERWRITERS — BECOMING BETTER PARTNERS

PLUS

- Results from Abstractor & Agent Survey
- Offshore Outsourcing: A Case Study
- ALTA's New Short Form Loan Policy
- Photos from ALTA's Tech Forum 2003

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by John Wythe White

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The New ALTA Short Form

by Clifford L. Morgan

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Abstracter/Agent Survey Focuses on Employee Benefits

by John D. Haviland
and Richard W. McCarthy

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Agents/Underwriters— Becoming Better Partners

by Anne L. Anastasi, CLTP

Our industry has made the relationship between underwriter and agent complex. However, there are at least seven things that the underwriters and the agents can do better to be a better partner. Are you prepared to take the seven steps?

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leading edge

A Message from the
Title Insurance Underwriters
Section Chair

They Need Us, But It's No Time to Rest

There are many noble professions. Why would anyone pick title insurance? I thought I picked it, but after 27 years in the business, I decided that it picked me. I'll bet it picked you too.

I know from the experiences I had talking to my kids' classes that first, second, and third graders find title talk a yawn. But I did learn that they like pens, golf towels, candy and Nerf balls just like Realtors®, lenders, and attorneys do! If nothing else, maybe I helped prepare these kids for a career in real estate.

My first job in the real estate industry was with a mortgage company. I thought title and trinkets were synonymous. It wasn't until I landed my first title job that I learned that nothing happens in real estate transactions without a title professional. No title reports? No closings. Easement in the back yard? No pool. Seller's wife says his girlfriend was at the closing? No house. I get it? We are valuable!

If we weren't, why would regulators be so interested in us? Why would everybody and their brother want to be in our business? Why would columnists write about us? Why would people buy title policies and schedule closings with us? They all need us.

We give our customers exceptional value at a fair, onetime price. We work with regulators to assure that we are appropriately reserved, offer essential coverages, and conduct our business in an ethical and judicious manner. We do not discriminate with respect to people or property. We're mono-line insurers. We do not use title insurance as a loss leader for other types of expensive insurance. We pay taxes on all those policy premiums we collect. If we get out of line, there's a regulator that brings us right back in line.

There are those who would like to offer our products and services without regulatory interference—no rules, no checks, no balances. And whose interest would that serve? The consumer that relies on a supervised method for controlling coverages, prices, and industry stability? The real estate lender that has relied on our products and services to secure their debt? The real estate agent that rests with the assurance that a purchase was completed with complete accuracy? Not likely to happen without us!

At a time when the title industry is subjected to unjust attacks, overzealous scrutiny, and blatant mistruths, it is our duty to come to its defense. Everyone can help. Whether it's a contribution to TIPAC or your state association, a conversation or letter to your congressional representative, or an interview with an industry publication—just do it! Don't sit back and expect someone else to cover your butt; take an action. Each of you can do something—it's your responsibility.

Randy Yeager



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Title NEWS

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And the Winner Is....

Norman Evilsizer, president and chairman of Old Republic National Title Insurance Company, Minneapolis, was the winner of the digital camera at ALTA's Tech Forum, March 9-11 in Las Vegas. Norman was one of the attendees who filed out an evaluation form after the convention and had his name entered into a drawing for the free camera. A big thank you to all ALTA members who completed evaluation forms.



ALTA Approves New Short Form Residential Loan Policy

The new policy is an excellent title insurance product that results in considerable work hour savings for both title personnel and the insured lender. The Short Form policy takes very little time to prepare, relatively speaking, and was designed to be issued at closing. The legal description and specific title exceptions need not be typed or keyed. It is perfect for fulfilling lender needs in the current refinance market when shortened delivery times and increased efficiencies in process mean everything. Endorsements don't have to be located, generated and attached. To read more about this new product and how easy it is to use, see the feature article on page 22.

Annual Convention Wants You!

You are invited to submit a presentation to speak at ALTA's Annual Convention, October 22-25 in Phoenix, AZ. Based on the positive response to the Call for Presentations used at ALTA's Tech Forum this

past March, we are trying it for the Annual Convention as well. Speakers may select from a list of identified topics or create a new topic. The most timely topics will be selected for the convention. To view a list of topics and Call for Presentations submission form, go to ALTA's Web site and look for the "Meetings" section on the right-hand side of the page.



calendar

ALTA Coming Events

May 4-6

Title Counsel Meeting
Sonoma, CA

16-20

Annual Internal Auditors Meeting
Key West, FL

July 17-19

Education Committee
Victoria, BC, Canada

October 22 - 25

ALTA Annual Convention
Phoenix, AZ

Affiliated Association Conventions

May

1-4 Palmetto Land Title
2-3 New Mexico
4-6 Iowa

June

1-4 New Jersey
6-8 Texas
6-8 Virginia
8-10 Pennsylvania
8-10 South Dakota
10-12 Illinois

June, cont.

10-12 Utah
13-15 Michigan
19-22 New England
26-28 Arkansas

August

7-9 Idaho
7-9 Montana
7-9 North Carolina
14-17 Wyoming
15-17 Minnesota
15-18 New York
21-23 Kansas

September

7-9 Ohio
10-13 Colorado
11-13 Maryland
11-13 North Dakota
16-19 Nebraska
18-20 Indiana
18-20 Missouri
25-27 Oregon
25-27 Washington

October

10-11 Wisconsin

November

12-14 Florida
TBA Dixie

December

3-5 Louisiana

ALTA Membership on the Rise

ALTA membership has increased more in the first four months of 2003 than last year. In the first four months of 2003, 155 title companies have joined ALTA, compared with 318 for the entire year of 2002. Why the jump in numbers? Simply put, TIAC. TIAC is ALTA's errors and omissions insurance. TIAC has kept its rates the same

since September 11, 2001, while many other E&O companies have raised rates or gone out of business. Only ALTA members can obtain TIAC's E&O insurance. If you would like more information about ALTA's errors and omissions insurance, go to ALTA's Web site at www.alta.org and click on the TIAC logo.

Public Awareness Campaign Update

ALTA's public relations firm, Ervin Bell, has been focusing on the continuing issue of Radian vs. the title industry since the last issue of *Title News*. Here is an idea of some of the things they have been working on.

Radian vs. Title Insurance

In January California Administrative Law Judge, Leonard L. Scott, upheld the cease and desist order against Radian originally issued in June 2002 by the California Department of Insurance. Ervin Bell had meetings and discussions with many ALTA and California Land Title Association members on the decision and wrote and distributed messages and press releases about the decision to real estate editors across the country. In addition, they assisted CLTA with the distribution of their press release on the new rates in California and with their response to inquiries from syndicated real estate columnist Ken Harney.

Ervin Bell has played a large coordinating role on the Radian issue in California, by talking to reporters and putting them in touch with ALTA spokespersons, providing fact sheets and other background information, and even touring a title plant with a Wall Street Journal reporter so she would have a better understanding of the title process. As a result, many articles in which the reporter started out with a clear pro-Radian slant, resulted in more balanced coverage mentioning the differences between the Radian product and true title insurance.

In addition, Ervin Bell began initial discussions with the Iowa Land Title Association on how they could assist in ILTA's fight to make title insurance legal in Iowa.

Representatives from Ervin Bell also met with three groups of Fidelity agents to discuss the next steps in the public awareness campaign and the importance of good media relations. If other major underwriters would like Ervin Bell to make a presentation to their large agent groups, contact Lorri Ragan at lorri_ragan@alta.org or call 1-800-787-2582 to set up a meeting.

HUD's Proposed Changes to RESPA

On the issue of HUD's proposed changes to RESPA, Ervin Bell distributed a press release on Stanley Friedlander's testimony before the Subcommittee on Housing and

Community Opportunity of the House Committee on Financial Services to real estate editors across the country. A "Media Kit" was also developed explaining ALTA's position on the changes (see below). Finally, Ervin Bell developed ALTA's strategy should the association sue HUD over their statutory authority to propose these changes.

Media Kit

Ervin Bell distributed a "Media Kit" to attendees at ALTA's Federal Conference, April 13-15 in Washington, DC. The kit is designed for members to use when working with local media. It includes background information on ALTA's issues, a fact sheet and history of the title industry, a sample article that can be placed in a local newspaper or newsletter, and a template press release to use for sending news to the media. Another kit with marketing materials including a brochure to give to consumers at closing and a PowerPoint presentation to make at local groups, will be available in a few months. For a free copy of the Media Kit, e-mail lorri_ragan@alta.org.

Next Steps for MISMO

The Mortgage Industry Standards Maintenance Organization (MISMO) will hold face-to-face workgroup meetings in Philadelphia, PA, May 12-16. High on the Architecture Workgroup agenda is the ongoing discussion about a move from DTDs to a schema architecture. The eMortgage Workgroup will continue their focus on workflow and streamlining the electronic mortgage. The Commercial Workgroup is laboring to convert their data dictionary to a MISMO-friendly format so that data points and much of the maintenance work can be shared between residential and commercial. The Title Insurance Workgroup will meet on Tuesday, May 13th, to conduct a final review of Version 2.2 of the Title Insurance Request DTD. The group will then begin work on the Title Insurance Response DTD.

Please contact ALTA technology director Kelly Romeo at kelly_romeo@alta.org for more information.

government & agency news

Heard at the RESPA Hearings

At the hearing on HUD's proposed changes to RESPA held by the U.S. House of Representatives Financial Services Committee Subcommittee on Housing and Community Opportunity, we had supportive comments and questions from several members of the subcommittee, including subcommittee chairman Bob Ney (R-OH), Rep. Mark Green (R-WI), who substituted as chair of the hearing when chairman Ney had an interruption, Rep. Katherine Harris (R-FL), Rep. Chris Shays (R-CT), Rep. Mel Watt (D-NC), and Rep. Judy Biggert (R-IL), among others. However ALTA president Stanley Friedlander, testifying on behalf of the title industry, (see photo below) and the rest of the panel fielded several tough questions on ALTA's suggested two-package approach.

At the U.S. House of Representatives Small Business Committee hearing, chairman Don Manzullo (R-IL) leveled heavy criticism on the Administration's failure to identify the potential economic effects of their proposal on several segments of the real estate industry, including attorneys and title insurance agents.

Senator Richard Shelby (R-AL), chair of the Senate Banking Committee, berated the Administration on the inadequacy of the rule at this hearing.

ALTA emphasized HUD's lack of statutory authority in issuing the proposed rule, and the detrimental effects the rule would have on the title insurance industry, other small businesses, and the consumer.

ALTA will keep you posted on the issuance of a final rule. If you have questions about ALTA's testimony, contact Ann vom Eigen at the contact information listed on the next page.



On February 25 ALTA president Stanley Friedlander (c) testified on behalf of the title industry before the Subcommittee on Housing and Community Opportunity of the House Committee on Financial Services. This photo shows the buzz in the room prior to the testimony.



Stanley Friedlander shares a light moment with Rep. Mark Green (R-WI) before ALTA's testimony on HUD's proposed changes to RESPA. When the testimony began, the mood completely changed as panel members fielded tough questions.



On March 11 ALTA testified again this time before the House Committee on Small Business. Greg Kosin, chair of ALTA's Government Affairs Committee, ALTA Board Member, and president of The Greater Illinois Title Company, highlighted why ALTA believes HUD's proposed changes will have potentially adverse effects on consumers, the mortgage settlement process, and small businesses.



On April 8 ALTA president-elect Chuck Kovaleski had the opportunity to testify before the Senate Committee on Banking, Housing, and Urban Affairs on the effects of HUD's proposed changes to RESPA. Here he meets with Senator Paul Sarbanes (D-MD) and Ann vom Eigen.

government & agency news

ALTA Scores Victories in the House

On March 19 the U.S. House of Representatives passed H.R. 975, the Bankruptcy Abuse Prevention & Consumer Protection Act of 2003, which included several ALTA sought-after amendments. Special thanks to the support of members who helped achieve enactment of several provisions to overturn the ninth circuit decision in *McConville*, which limited the protection of undisclosed post-petition transfers to fee interests and excluded other interests in real property, such as liens arising under a mortgage or deed of trust. ALTA was also successful in obtaining an amendment in the bill that provides an exception to the automatic stay so that post-petition transfers of security interests in real property may be subject to foreclosure. ALTA is pleased with this progress, especially since this bill has been reworked for seven years.

The bill now goes to the Senate for approval. You will recall that similar legislation failed last September since it contained a controversial provision aimed at preventing abortion protesters from filing for bankruptcy. It is unclear at this point if the controversial language will again be added to the Senate legislation.

Predatory Lending Bills in the House

Both Representative Bob Ney (R-OH) and Representative Stephanie Tubbs Jones (D-OH) have introduced predatory lending bills in the U.S. House of Representatives.

Representative Ney's bill, H.R. 833 is entitled the "Responsible Lending Act". The bill has been referred to the Housing and Community Opportunity Subcommittee, which is chaired by Representative Ney. As currently drafted the legislation would not affect the title industry.

Representative Jones has introduced H.R. 1663 entitled the "Predatory Mortgage Lending Practices Reduction Act". ALTA is concerned that some of the bill language may be too broad and could possibly include settlement services in mortgage brokerage services. Representative Jones has indicated she will work with us on possible drafting concerns.

ALTA will continue to monitor these bills. For more information, contact Charlene Nieman, Grassroots & PAC Manager at 1-800-787-2582 or charlene_nieman@alta.org.

Another House Victory: Interest on Business Checking

ALTA also scored a victory in the U.S. House of Representatives on the Interest on Business Checking bill, which would allow banks to offer interest to businesses holding checking accounts.

ALTA members voiced concerns that the interest on Business Checking bill, which would repeal the current Regulation Q prohibition on banks paying interest, would effectively eliminate certain well-established financial benefits and checking services that large depositors now receive from banks in lieu of interest. ALTA hopes that the current provision of services by banks in accordance with Regulation Q, and identical legal treatment, would be continued even if the interest on business checking legislation passed. The services that we receive in return for the large deposits we make currently subsidize our settlement services operations.

ALTA's amendment was added to the Business Checking Freedom Act of 2003 passed by the U.S. House of Representatives in mid-March. Unfortunately, Rep. Mel Watt (D-NC) also added an amendment that tends to negate our amendment language. ALTA has been working with several House members to try and work around it. ALTA is currently working with Senator Chuck Hagel (R-NE) on the Senate version of the legislation.

U.S. Treasury Announces Advanced Rulemaking on Money Laundering

The Department of the Treasury has published in the Federal Register an Advanced Notice of Proposed Rulemaking seeking information to assist in developing a rule to govern anti-money-laundering compliance programs for "persons involved in real estate closings and settlements." An Advanced Notice of Proposed Rulemaking is a frequently used administrative device to enable an agency to gather information before attempting to craft a proposed rule.

Section 352 of the USA Patriot Act requires financial institutions, which include persons involved in real estate closings, to establish anti-money-laundering compliance programs. Treasury has postponed the effective date until a final rule can be developed.

In the Advanced Notice of Proposed Rulemaking, Treasury has asked for information on specific questions, such as: Should persons involved in real estate closings and settlements be exempted from coverage under Section 352? Some of the questions were based on examples from ALTA.

Comments are due by June 9, and ALTA will respond to Treasury's questions.

For more information on any of the items on this page contact ALTA's legislative/regulatory counsel, Ann vom Eigen at 1-800-787-2582 or ann_vomeigen@alta.org.



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ALTA Expresses Disappointment in Radian Case

On March 15 California Insurance Commissioner John Garamendi rejected the decision of Administrative Law Judge Leonard L. Scott in the matter of Radian Guaranty, Inc. and Amerin Guaranty Corporation. What does this mean for the title industry?

You will recall that last June the California Department of Insurance issued a cease and desist order against Radian prohibiting them from selling its Radian Lien Protection product because the Department deemed it a form of title insurance, which Radian is not licensed to sell. The order further prohibited Radian from selling the product anywhere in the nation or risk losing its license to sell its core product, private mortgage insurance, in California. Then in January, Judge Scott upheld the cease and desist order and the case was turned over to Commissioner Garamendi to adopt, reject, or refer the matter back to Judge Scott to take additional evidence.

Commissioner Garamendi announced he will decide the case based on additional evidence and testimony regarding legal issues surrounding the Radian product. No date or time is scheduled for the introduction of additional evidence in the matter.

ALTA is surprised by Commissioner Garamendi's decision and that he feels he lacks sufficient evidence to rule on the appropriateness and legality of the cease and desist order. The positive news is that the cease and desist order is still in effect until the Commissioner has enough time to take additional evidence. ALTA will keep you posted on this issue and the potential affect on the title industry.

ALTA Advocates Continuation of exception to E-Sign for Foreclosure Notices

The ALTA Technology Task Force, assisted by several underwriter counsel, filed comments in March 2003 on a US Department of Commerce request for parties to evaluate the current statutory exemption to the Electronic Signatures in Commerce Act providing that residential property default, foreclosure and eviction notices should be delivered by paper rather than electronically. The Electronic Signatures in

Global and National Commerce Act, commonly referred to as "E-Sign," was enacted in 2000. While the law allows parties to use electronic records, signatures, and contracts, the statute required that "bad news" to consumers should be delivered on paper. The statute also required the Department of Commerce to evaluate the effect of the exemptions and whether they were still necessary to protect consumers

ALTA comments concluded that the notices should continue to be provided in paper format as consumer notification of these types of events in electronic form would be premature given current adoption rates and state laws. ALTA thanks in particular Paul Flores of Fidelity National Financial for his research and analysis on this issue.

Grass Roots Does Work

Brian Madden of Liberty Title in Garden City, NY, is active in the National Federation of Independent Businesses. He arranged two separate meetings to discuss ALTA's two-package proposal, an alternative to HUD's proposed changes to RESPA.

ALTA members also met with Rep. Don Manzullo (R-IL) and his staff to discuss the Small Business Committee hearing on RESPA and the witnesses to be selected. In addition, seven members of ALTA's leadership met with senior HUD staff and several House and Senate members to discuss the status of the proposed changes and to answer questions on ALTA's two-package proposal.



Brian Madden networks with Rep. Mike Oxley (R-OH), Chairman of the House Financial Services Committee.

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Highlights from Tech Forum 2003

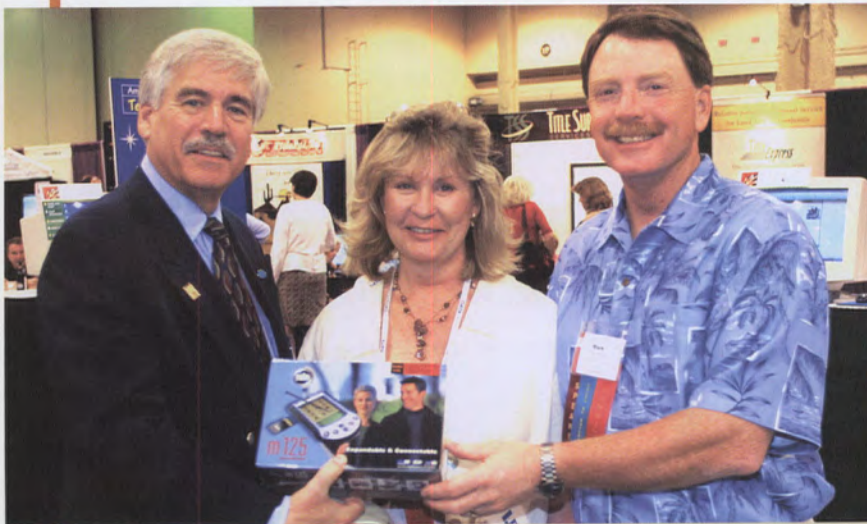


The Exhibit Showcase provided ALTA vendor members the opportunity to showcase their products to eager attendees.

Thank You Sponsors!

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West Central Indexing

Attendees at ALTA's Tech Forum were able to touch base with the office and family at the Internet Playground in the Exhibit Showcase area.



Stanley Friedlander (l), ALTA President, and Mark Bilbrey (r) ALTA Board member, congratulate the winner of ALTA's most sought after prize – a Palm Pilot -- during one of the receptions.



This group of ALTA members from Ohio take some time to have fun at one of the evening receptions.



Mark Monacelli, St. Louis (Duluth, MN) County Recorder and President of the Property Records Industry Association, discussed the inter-industry initiatives in progress to link county recorders with title and escrow companies.



Randall Hood, Virtual Desktop, Inc. acted as moderator for the panel of national underwriters, as well as a session presenter.



Stewart Morris, Jr. (l) Stewart Information Services, Rob Chapman, (c) Old Republic Title Insurance Co., and Jan Alpert, (r) LandAmerica Financial Group, Inc. continued discussions after the national underwriter panel discussion on cutting edge technologies. Not pictured: Gary Kermott, First American Title Insurance Company and Patrick Stone, Fidelity National Information Solutions.



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Agents/Underwriters— Becoming Better Partners

by Anne L. Anastasi, CLTP

Our industry has made the relationship between underwriter and agent complex. The relationship is often viewed as adversarial or parental, as competitive or resentful. There are underwriters that have said they do not need agents, when we know for a fact that they would have difficulty affording the bricks and mortar and weathering the cycles of the market with expensive overhead with direct operations everywhere in the country. And for those agents who wish the underwriters would go away, we remind you that the very definition of the word agent renders this impossible. Certainly you could open your own underwriting company, but let's be realistic about the expense, liability, regulations and time commitment required.

When I first started college I was told that if you steal from one person, it's plagiarism, if you steal from ten people, it's research, and if you steal from hundreds, you are a scholar.

if we are working together as one voice.

There are at least seven things that the underwriters and the agents can do better to be a better partner—so open your mind to improving your relationship for your sake and the sake of our industry's survival.

Let's begin with the agents

The number one thing that you can do to be a better partner is **remit**. It's not your money! Cut your remittance check at the closing, staple it to a copy of the HUD-1, pull the policy jackets, and put the policy numbers on your remittance check. The rule in all of our companies is that the remittance checks must go out to the underwriter by the 5th day of the month following the closing. It's that simple. A copy of the policy can follow when it is completed.

Think about fairness. How would you feel if the consumer said to you that they would send their title fees to



exaggerate, fabricate, or procrastinate. Be fair and be honest—the underwriter is your partner. In all of my years in this business there have only been a handful of title issues that could not be resolved. Ninety-nine percent of the time your underwriter counsel will find a way to resolve a title issue. You may have to delay the closing, but at least it will close, and if you play your cards right, you will look like a hero.

Keep orderly files. It may sound elementary, but you should have a system and adherence should be mandatory. All your proofs should be clipped together, your title work should be neatly clipped, etc. The potential for loss is increased when your file is unorganized to the point where you can't find what you need. An orderly file will do more for you than just save you money—when it comes to a claim, it will save you time, and today time is as important as money.

Reconcile monthly. We have all learned from Frank Abagnale—and will hear more about his thoughts at the ALTA annual convention in October—that banks give us 30 days to find errors in our bank statements. Thirty days to find checks that were

There are at least seven things that the underwriters and the agents can do better to be a better partner.

Speaking as a scholar today, please sit back, don't get defensive, and let's talk about how we can all become better partners. Once we realize that we are in a partnership in the truest sense of the word, we will have a better chance to prosper and survive, and I am not using the word "survive" lightly. The very real threat of our legislatures, regulatory agencies, and customers requires strength that will only come

you three, four, five months after the closing. You would tell them that you couldn't possibly allow that because you have bills to pay, payroll to meet. Similarly, your underwriter has bills to pay and payroll to meet.

Be truthful when asking for risk decisions. You know that you can make a decision go any way you want by what you say, how you say it, and what you don't say. Do not

forged, 30 days to find checks that were incorrectly paid, 30 days to find deposits incorrectly credited. If you are not reconciling monthly, how do you know when a payoff check goes uncashed and interest is still accruing? How do you know when recording checks are uncashed indicating that your documents were never recorded? Frank also told us that banks do not even look at checks written for under a certain threshold—normally around \$50,000. If you are not reconciling monthly, it is possible that someone is cashing checks under the threshold without so much as a signature.

Terry, our reconciler, called me in the car one day: “Anne, are you sitting down?” “Terry, I am in the car,” I said cautiously. “Is there a bridge abutment coming up?” she asked. “No,” I said, “Why?” “We have a forgery.” On the day that the cancelled checks are delivered, Terry looks through them knowing that she will reconcile within the 30 days, yet she still fans through the checks looking for an odd size, color, signature—anything. On this day she fanned through the checks of one of our biggest agencies and found a check that was a different color with an incorrect address and an unknown signature. It was a computer-generated check that was poorly done; yet it was cashed.

By the time I got back to my office the FBI was at my door, and within 24 hours they had a picture of the person (from three angles) who had cashed the check. Fortunately, it was not an inside job, but unfortunately it was a part of a check-forging ring. We closed the account that day, and yes, it was a major undertaking, but what if... what if Terry hadn't fanned the checks, what if we didn't reconcile, what if...?

Deposit Immediately. We work all our lives to establish a good reputation for our companies, but bounce a check once and all that work is wasted. With the influx of business your bank float is healthy today, but

do not get lax on your deposit routine because other factors can affect the float. In January a bank mistakenly bounced a Treasurer's check in the amount of \$932,000, which put a severe dent in our float. If you bounce a check, even if there is an explanation, the affected person will tell five people, who will then tell five more, and so on, and so on.

Loss training. Please make sure that all your people know how to respond to a phone call about a potential loss. There was a situation where an agency was unfairly held liable for a loss because the receptionist said, “I'm so sorry we did that.” Your staff should be trained on what to say and how to say it. And remember your partner; report even the hint of a loss to your underwriter because most likely they will have some good advice.

Be the best. You cannot make demands of your partner unless you give in return. You can't complain unless you assist in the resolution. Be the kind of agent that your underwriters brag about having on board, and not just for your remittances but also for your integrity, knowledge, and contribution to the industry.

Underwriters, it's now your turn

Keep your agents informed. Agents have access but rarely take the time to keep up with proposed changes in legislation. Keep your agents informed during the process, not just after passage because maybe, just maybe, your agents have a thought on the subject. This needs to be done for state as well as federal issues.

A decision-maker must be present at all times. There is nothing worse than calling your underwriter with a question from a closing and being told that no one is available or they are all in a meeting or they are all out to lunch or they are all on vacation.

The majority of closings around the

country occur during the last six business days of the month. We don't allow any vacation days or personal days during the last six business days of the month—it just makes good business sense. There was an underwriter counsel who took umbrage to my statement on this subject during a talk I gave at the California Land Title annual convention last year. He said, “I won't let my agent's business cycles dictate my vacation schedule.” You may form your own response to that statement.

But agents don't cry wolf. When you call and are asked if your question can wait until the next day because your resource is working on another problem, if you can wait, then wait. This is your partner.

Al Maguire, former Marquette basketball coach, during his stint as a color-analyst for March Madness once remarked, “Small points win big games.” He was talking about a Rhode Island player who was missing free throws and how, even though they are only worth one point, they do add up.

Educate. Offer classes on title issues as well as business issues. Most agents run small operations and do not have access to expertise on interviewing, hiring/firing practices, business insurances, 401(k) programs, Section 125 benefits, E&O pitfalls, employee bonds, investing, and a myriad of other topics.

And when it comes to title issues, some underwriters will complain that the questions they are being asked are found in the underwriting manuals provided to the agents. How about having a class on how to find things in the manual? Maybe that would cut down on some of the calls. But never, never make an agent feel stupid or embarrassed when he/she calls with a question. Once an agent loses face, he/she may not want to call again and that may force a poor decision on the agent's part that could cost everyone when the claim arrives.

When was the last time you called your agent to say **thank-you** for their remittances? We make it a habit of calling our customers on a monthly basis to say thank-you for your business." Why should a customer use us if we don't say thank-you? Why should an agent use you as an underwriter if you don't say thank you?

Wayne Calloway, former CEO of Pepsi, said "Nothing focuses the mind better than the sight of a competitor who wants to wipe you off the face of the map." We don't know whom he was talking about, but the message is very clear. There is always a competitor waiting to take your business. Agents are constantly being wooed by other underwriters. Small points win big games.

Make a decision on Affiliated Business Arrangements. Develop a strategy of fairness. If an opportunity comes your way in an area where you have a strong agent, then allow your agent to participate. If you do not have an agency presence in the area, you could use the opportunity as a marketing tool to pick up a strong agent, or you could decide to service the business directly. Your decision should be one of strict compliance however. Most importantly, you should train your agents on the rules, and you must enforce your agent's compliance with rules.

In our travels around the country, my partner Chip Lutz and I constantly hear complaints about competing agents who are allegedly violating the HUD rules on AfBAs. We always ask who is doing it, what they are doing, and what underwriter is allowing this to occur. Of course some allegations are misunderstandings or just competitive jealousy, but for those allegations that are real, the underwriter will never have a chance of capturing agents in the local area.

And speaking of integrity. Are you signing up agents that have questionable business practices just for

the sake of market share? Why would an agent want to partner with and give money to an underwriter that allows, and thus supports, an agent who unfairly competes? We all know of agents who are still giving kickbacks. We all know of agents who have sham AfBAs with no capital, no employees, no expenses, and no shame. We all know of agents who violate their state's promulgated rate structure. Obviously their underwriters know because they are auditing the HUD-1s. Let me repeat, why would an agent want to partner with and give money to an underwriter who allows these practices to happen?

Be the best. Be the kind of underwriter who says thank-you, who helps resolve problems without embarrassing the questioner, who enforces compliance, who walks away from business that isn't being done properly, who helps train agents to become better business people. If you are doing it, boast about it.

But agents, remember all these things have a cost. The underwriters have to make money too, so if you want to demand great service or if you want to demand that they drop a noncomplying agent, be fair when negotiating your splits—there is a price to integrity and good service.

It was an honor to be asked to write this article. I just hope we all realize that together we are much stronger than apart.

Anne Anastasi is President of Troon Management Corp., the country's only independent consulting authority on AfBAs. She has been the keynote speaker at countless state conventions speaking on this topic and AfBAs. She can be reached at 215-441-5500 or by visiting Troonmanagement.com.

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Offshore Outsourcing: A Case Study

by John Wythe White

For years, title insurance companies have been using offshore data entry firms for backplant automation and day-forward posting. This article is a case study of how First Dakota Title of South Dakota used offshore outsourcing to produce abstract and informational reports, saving the company time and money.

Abstract Problem, Concrete Solution

Dennis Anderson, founder and president of First Dakota Title, was with his vice president of operations on a four-hour drive from his headquarters in Sioux Falls, South Dakota, to Fargo, North Dakota, when the idea came up: Why not use his offshore data entry firm not just to key in information but to take the next step and actually produce complete reports?

North and South Dakota both require title insurance companies to establish and maintain their own databases containing historical records of all real estate transactions in the counties where they do business. (In the Dakotas, such records can date back to land patents established in the late 19th century.)

This became a major consideration when Anderson decided to cross state lines and acquire a title company in Fargo.

"We were wondering how we were going to do the abstracts," says Anderson. "It seemed to us that they were time intensive, labor intensive and redundant. We considered what our offshore data entry firm was doing for us already: looking at the documents, determining who the grantors and grantees were, locating legal descriptions, and adding recording dates, filing dates, and document numbers. Then we thought: An abstract is basically a recompilation of that information. In addition to identifying bits and pieces, you're retyping the document in the format required for an abstract. So we said, 'They should be able to do that.' And that started the wheels turning."

First Dakota Title's experience with offshore data entry began in 1989, before the company opened its doors. Anderson had averted a financially burdensome late start-up by hiring a company called HDEP International to help create his backplant. A Honolulu-based firm with data entry facilities in Manila, Philippines,



county project. Anderson was pleased with the speed, accuracy, and motivation of the Manila operators.

Since then, the company has continued to rely on offshore outsourcing for an expanding array of products and services. In the mid-'90s HDEP helped modernize First Dakota's database by converting its microfilm records to digital images. By the time the company decided to expand to North Dakota last year, HDEP was providing offshore day-forward data entry services for the company's five South Dakota title plants—with the attendant advantages of reduced personnel requirements, lower labor costs, improved work flow, and off-site security backup.

"Deciding to outsource reports wasn't easy," says Anderson, "but we had worked with HDEP for over ten years and established a relationship of trust. We knew that their people understood not just the basics of real estate but how the bits and pieces of information fit together. That made the process much easier than bringing in someone who didn't have a clue what a deed or a mortgage is. We also knew what HDEP was capable of doing and that they never promised what they couldn't deliver. This

Title plant managers who face shortages of skilled and committed data entry operators locally now turn with confidence to established offshore firms.

However, unlike South Dakota, North Dakota requires the creation of an abstract for almost all transactions.

HDEP took responsibility for the entry of 600,000 records—about half of First Dakota Title's entire two-

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comfort level laid the foundation for having them advance through the examination process.”

The History of Offshore Data Entry

American companies have sent large-scale data entry work overseas since the early 1970s, taking advantage of lower labor costs outside the U.S. The first offshore projects went to the Caribbean, Ireland, the Philippines, Singapore, Taiwan and Korea.

As the world adjusted to new computer and telecommunications technologies, the early years were filled with glitches. But the advent of fax services, inexpensive e-mail, high-speed Internet and T1-lines made communication between offshore data entry companies and their clients flow smoothly and easily. Courier and next-day mail services became faster and more reliable as well.

With the passage of time, countries

developed their own specialty tasks—sometimes accidentally, sometimes because a country is geographically, linguistically, or sociologically closer to a particular type of customer.

Economics also weighs in: Because of rising labor costs, Singapore, Taiwan, and Korea have proved unable to compete with companies in India, China, Sri Lanka, and the Philippines.

Today, due to its proximity to large New York advertising agencies, the Caribbean is regarded as the center for direct mail entry. Several Caribbean nations are also becoming centers for everything from toll-free and directory assistance to the processing of tickets for U.S.-based airlines. Due to English-language limitations, the Chinese tend to concentrate on full-text data entry from printed materials. Companies in the Philippines, thanks to the strong English fluency of a large percentage of the populace, have gained expertise

in difficult data entry tasks, including keying from public records, library conversions, and litigation support work.

In the title insurance industry, as costs have lowered and speed and reliability have risen, offshore outsourcing has become increasingly attractive. Title plant managers who face shortages of skilled and committed data entry operators locally now turn with confidence to established offshore firms.

The Quantum Leap

It's one thing to key in information for a title plant. It's another thing to search and examine documents to create reports. The nature of basic data entry is “key what you see,” and although real estate data entry requires some interpretation, the operators are still basically looking at documents and filling in fields. Searching and examining the documents requires



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additional training, as does assembling findings into a finished report.

That's why, when Anderson first presented the idea to Virendra Nath, president of HDEP International, and Doug Bello, president of D. Bello Associates, Inc., they weren't certain whether they wanted to take on the task.

Bello, a consultant who specializes in designing and developing title plants and works with Nath as part of an industry alliance, the Title Team, whose services include consulting, data entry, digital imaging, and Internet hosting, was initially more reluctant than Nath.

"When they asked us to consider doing the abstracts for them," says Bello, "at first I thought, that's not what we do. We should focus on building title plants. But the more I thought about it and the more I talked to Virendra, the better the idea sounded. There's no reason in this day and age that this type of a job can't be done anywhere in the world, as long as you have the necessary experience."

Nath and Bello decided to accept the challenge and train a select group of their most experienced and motivated data entry operators in Manila to prepare reports for First Dakota Title.

"It was more than a minor step up," says Shirley Thaelke, First Dakota Title's operations officer, who in 1989 spent seven weeks in Manila training the HDEP staff in basic title insurance data entry for her company. "The training required was over and above the usual, so it was a pretty big jump."

"We had our work cut out for us," says Bello. "It was an entirely different process, a different set of skills we had to generate. I would call it a quantum leap."

"From the perspective of the title insurance industry," says Nath, "it was a logical next step. With the current refinance cycle of five years creating a glut of business and with the difficulty of hiring and keeping motivated data

entry personnel, the pressure on title companies to produce reports is intense. Outsourcing report writing can save them a lot of money and allow them to focus their management skills on expanding their companies' presence into neighboring counties, rather than making sure they have enough data entry operators, title searchers, and examiners to keep current."

Out By 5 P.M., Back By 8 A.M.

Bello prepared himself by personally generating one hundred reports from his office in Burbank, CA. In this way he could replicate what the staff in Manila would be doing. When he felt confident that he had learned the procedure, he went to the Philippines to conduct the training.

"In Burbank," he says, "I was excited to be operating in real time on First Dakota's system. Then I realized that at the end of the workday in Manila—literally on the other side of the world—the staff would send the reports and go home; when they came back in the morning, our customers' feedback (from Sioux Falls) would already be available. It was as if no time had passed."

The time difference between Manila and Sioux Falls works in everyone's favor, because 5 p.m. in Sioux Falls is 6 or 7 a.m. in Manila, depending on daylight saving time.

"We send Manila e-mails with orders attached in two batches," says Thaelke, "the first at about four in the afternoon and the rest before we go home for the day." The company sends an average of 20 to 24 orders a day, some days topping 30.

"When we show up for work at eight in the morning," says Thaelke, "they're back. And they're done right."

"It's a 12-hour turnaround," says Bello. "Like clockwork."

Accessing the server over a T-1 line, the Manila staff accesses First Dakota Title's title plant and image data base, searches the property and the GI, enters reports directly onto

First Dakota's computers, then sends an e-mail to confirm the submission. After a senior examiner reviews the reports on the computer, the process is complete.

HDEP provides its title company clients with more than data entry, producing detailed exception reports that alert examiners to potential problem areas. It's a relationship in which HDEP acts as a partner to the title company, acknowledging that both are involved in a complex process with high liabilities and experienced enough to intuitively recognize areas that require additional scrutiny.

"Another thing," says Thaelke, "is that the typing is accurate. We've traditionally had typists in the office produce these reports, and we were always sending files back just for plain old, dumb clerical errors. That doesn't happen anymore. They're doing a wonderful job. And they've taken a load of work away from our searchers

As costs have lowered and speed and reliability have risen, offshore outsourcing has become increasingly attractive.

and examiners."

"It's worked out very well," says Anderson. "We're pleased with their quality and their accuracy. And it has given us an opportunity to expand our services without significantly having to expand our staff."

The Learning Curve

Is offshore outsourcing of finished reports appropriate for every title insurance company?

"Back in 1989," says Anderson, "when we were first considering doing offshore keying, we were cautioned very strongly to be careful who we were working with. But we decided to go ahead with it, and over the years our relationship with HDEP grew

stronger. If we hadn't had this history with them, our likelihood of outsourcing reports to an offshore company would have been very low."

"People used to have reservations about outsourcing offshore," says Thaelke. "Frankly, back in '89 I had them too. But now we've been working successfully with HDEP for a long time. It's the same as in any other industry, whether you're outsourcing offshore or within the states: Your success depends on the relationship you have with your service bureau and your own willingness to provide the feedback they need. That's a huge part of it."

"When people call and ask for references," says Anderson, "I always tell them to be very explicit in their instructions, so that everybody knows where they're coming from and going to. You can expect it to take some time for everybody to understand the terminology and the ideas behind it.

In this industry we're all doing the same thing, but we describe it in 20 different ways."

Beyond the Abstract

Abstracts aren't the only reports HDEP creates for First Dakota. They also produce informational reports—basic profiles of properties, rather than in-depth interpretations, also known as tract checks, letter reports or O&E searches.

"Banks want this information at a minimal cost," says Anderson, "because they use it primarily for home equity loans and other lines of credit."

HDEP also prepares preliminary commitments for First Dakota—generally those involving properties which the company has already insured in a previous transaction.

"Next," says Bello, "we'll be doing commitments on properties they haven't previously insured. Who

would have thought?"

"We haven't gone completely down the road to having HDEP do everything," says Anderson, "but you can see where it's heading. As they become more skilled and competent at what they're doing, as they gain a greater understanding of the process, we can definitely move ahead in that area."

"Today," says Nath, "an order comes directly in, we search the plant, identify documents and review them, prepare a report, and submit it. The examiner reviews it, presses a button and prints it out on company letterhead. At a time when the title insurance industry is being compelled by customers to reduce costs and improve the timeliness of their products, this is an excellent way to do it."

John Wythe White is a freelance writer with more than 30 years of experience in journalism, advertising copywriting, and corporate communications. He can be reached at jwwavewriter@aol.com.

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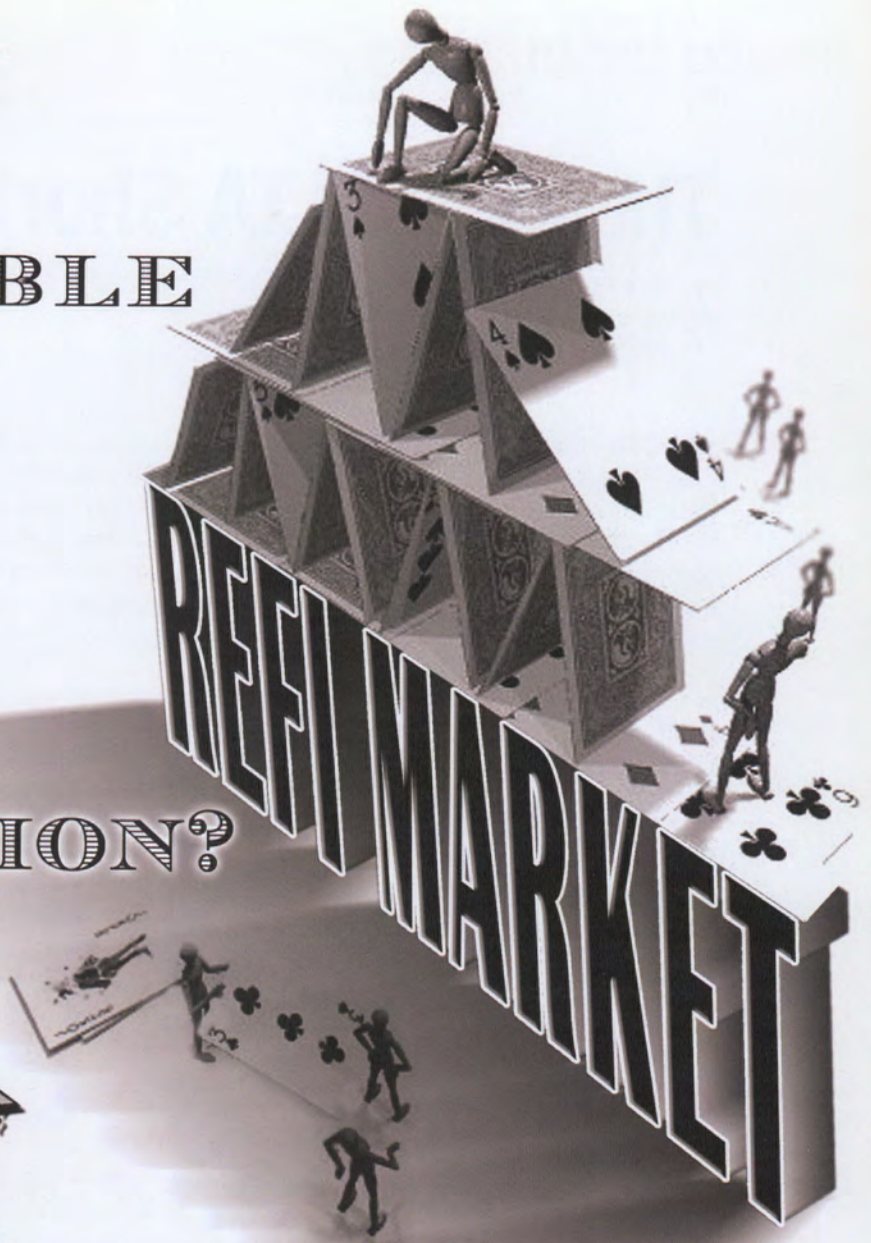
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The New ALTA Short Form

by Clifford L. Morgan

The ALTA Short Form Residential Loan Policy is an excellent title insurance product that results in considerable work-hour savings for both title personnel and the insured lender. It contributes to a much greater level of efficiency for lenders, which ultimately equates to real dollar savings. This is a very simple one-page policy that provides much better coverage than the "base" 1992 ALTA loan policy. For these reasons alone one wonders why lenders have not been charging the gates to obtain this policy for virtually all of their residential one-to-four family and condominium loans.

This policy first came into being as an ALTA form at the ATLA convention in 1988. Notwithstanding the fact it was immediately approved by both Fannie Mae and Freddy Mac,

policy form was introduced ahead of its time, its time has come. The short form policy is perfect for fulfilling lenders needs in the current refinance market when shortened delivery times and increased efficiencies in process mean everything.

Form Overview

The Short Form policy is an abbreviated short-form version loan policy, incorporating by reference all the provisions of the 1992 ALTA loan policy. Additional coverages have also been added. Nine ALTA endorsement coverages most commonly required by residential lenders Fannie Mae and Freddy Mac are incorporated by reference. These endorsement coverages are self-effectuating without checking a box. While it is possible for an insurer to print this policy in such a way to require checking a box in order to incorporate specific endorsements, that is not the most desired method. The ALTA endorsements incorporated by reference include the Form 4 and 4.1 (Condominium), 5 and 5.1 (Planned Unit Development), 6 (Variable Rate), 6.2 (Variable Rate-Negative Amortization), 7 (Manufactured Housing), 8.1 (Environmental Protection Lien), and 9 (Restrictions, Encroachment and Easements). Regardless of whether the endorsements are automatic or activated by checking a box, there is no need to attach the endorsements. This is a very important benefit.

Blanket generic preprinted exceptions are taken in Schedule B.



These exceptions relate to taxes, covenants, conditions and restrictions, easements, and mineral rights. These types of exceptions are generally accepted by lenders and the secondary mortgage market. The policy then provides special coverage relating to most of those exceptions and in addition provides excellent affirmative survey coverage. This is not done by the 1992 ALTA loan policy usually issued to lenders.

Any title defect, lien, or encumbrance that does not fall within any of the generic exceptions and is not cleared in the settlement process can be shown as an additional exception to coverage by attaching an addendum specifically designed by ALTA for this purpose. Rarely is it necessary to take additional exceptions when dealing with residential properties.

Let's look more closely at some of the significant benefits of this type of policy.

Standardization. As the name of the product suggests, this policy is specifically designed for one-to-four family and condominium residential improved properties. The preprinted language and product underwriting was formulated by ALTA for this type

This policy goes provides the lender with a finished product that is accurate and includes the coverage they desire.

it has had varying levels of acceptance in the lender community over the last 15 years. This type of policy is currently available in all 50 states and the District of Columbia. It is used more widely today than before, but greater use is foreseeable.

It is possible such slow acceptance is due in large part to the title industry failure to do a better job of educating itself and lenders as to the policy's benefits. While it may be true this

of transaction. This provides greater flexibility in offering better coverage as part of the standard policy provisions.

This is true as to insuring clauses, exceptions to coverage, and incorporated endorsements. The fact that all this is preprinted means the insured lender will always see the same language and need not worry about varying levels of coverage because of differences in language.

With more and more lenders centralizing their loan processes they want to see standardized products. This makes their life easier and their processes faster.

Speed to Delivery. The Short Form policy takes very little time to prepare, relatively speaking, and was designed to be issued at the closing. The legal description and specific title exceptions need not be typed or keyed. Endorsements don't have to be located, generated, and attached.

There is no need to wait for confirmation of recording of the insured mortgage or to obtain recording information. The policy automatically covers any gap between the time of closing and date of recording. Again, something other policies don't do.

Reduced Post-closing Review Time. Lenders pay employees to review title policies when they arrive. They spend a considerable amount of time making sure legal descriptions and other policy components match-up. They check to see that appropriate endorsements have been attached and that the title exceptions taken match their instructions. The form of this policy significantly reduces the need for much of that.

The lion's share of this product is preprinted. Therefore the need for proofreading is very limited. The legal description automatically matches the legal used in the

mortgage, because this policy by its preprinted terms adopts the legal description of the insured mortgage. This further reduces room for error and the need for proof reading. When a lender orders the Short Form policy, the title exceptions virtually always match instructions because preprinted standardized language is used. The lender doesn't need to check the exceptions taken in the policy against this closing instructions.

There are only 13 very limited items of information that must be inserted in this policy. The information deals with such things as the amount of insurance, loan number, borrower's name, property address, etc. In nearly all cases the endorsements required by lenders are automatically included in the policy. There are, therefore, no endorsements to attach. This further eliminates room for mistakes and reduces post-closing review time. Real savings for

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Cost Reduction. Since lenders don't need to spend nearly as much time in proofreading, checking for missing endorsements, matching title exceptions to instructions, and following up for corrections and missing items, there are actual cost savings to be realized in reduced personnel time, phone calls, and waiting. Greater efficiency translates into significant savings.

Error Resistant. This policy goes a long way in providing the lender with a finished product that is accurate and includes the coverage lenders desire. One of the biggest challenges the title industry has faced is to reduce room for mistakes in issuing policies. It is beneficial to neither the title industry nor lenders when policies are issued with typographical errors and missing endorsements. The Short Form policy can provide a lender everything

it has requested—the first time.

The Short Form policy is a great product. It is up to us in the title industry to educate our customers on how our products can better serve their needs. In the process we will also help ourselves.

Cliff Morgan is senior vice president, underwriting/new product development, for First American Title Insurance Company in Santa Ana, CA. He is chair of the ALTA Title Insurance Forms Committee and a member of the ALTA Committee on Indian Land Claims. He can be reached at 714-647-4405 or cmorgan@firstam.com.

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SHORT FORM RESIDENTIAL
LOAN POLICY -- ONE-TO-FOUR FAMILY
Issued by
BLANK TITLE INSURANCE COMPANY

SCHEDULE A

Amount of Insurance: [Premium:]
[File Number:] Mortgage Amount: Policy Number:
Loan Number: Mortgage Date: Date of Policy: or date of recording of insured mortgage, whichever is later.
Name of Insured:
Name of Borrower(s):
Property Address:
County and State:

The estate or interest in the land identified in this Schedule A and which is encumbered by the insured mortgage is fee simple and is at Date of Policy vested in the borrower(s) shown in the insured mortgage and named above.

The land referred to in this policy is described as set forth in the insured mortgage and is identified as the property address shown above.

This policy consists of [one] page[, including the reverse side hereof,] unless an addendum is attached and indicated below:

Addendum attached No addendum attached

[Subject to the conditions stated in the endorsement list below, the following ALTA endorsements are incorporated herein:

- ENDORSEMENTS 4 and 4.1 (Condominium), if the land or estate or interest is referred to in the insured mortgage as a condominium.
- ENDORSEMENTS 5 and 5.1 (Planned Unit Development).
- ENDORSEMENT 6 (Variable Rate), if the insured mortgage contains provisions which provide for an adjustable interest rate.
- ENDORSEMENT 6.2 (Variable Rate - Negative Amortization), if the insured mortgage contains provisions which provide for both an adjustable interest rate and negative amortization.
- ENDORSEMENT 7 (Manufactured Housing Unit), if a manufactured housing unit is located on the land at Date of Policy.
- ENDORSEMENT 8.1 (Environmental Protection Lien), referring to the following state statutes: _____.
- ENDORSEMENT 9 (Restrictions, Encroachments, Minerals).]

[The ALTA endorsements indicated below are incorporated herein:

- ENDORSEMENT 4 (Condominium) or ENDORSEMENT 4.1
- ENDORSEMENT 5 (Planned Unit Development) or ENDORSEMENT 5.1
- ENDORSEMENT 6 (Variable Rate)
- ENDORSEMENT 6.2 (Variable Rate--Negative Amortization)
- ENDORSEMENT 7 (Manufactured Housing Unit)
- ENDORSEMENT 8.1 (Environmental Protection Lien) referring to the following state statute(s):

ENDORSEMENT 9 (Restrictions, Encroachments, Minerals)

[Witness clause optional]

BLANK TITLE INSURANCE COMPANY

BY: _____
PRESIDENT

BY: _____
SECRETARY

[bracketed material optional--alternative paragraphs: one must be used]

SUBJECT TO THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B BELOW, AND ANY ADDENDUM ATTACHED HERETO, BLANK TITLE INSURANCE COMPANY, A _____ CORPORATION, HEREIN CALLED THE "COMPANY," HEREBY INSURES THE INSURED IN ACCORDANCE WITH AND SUBJECT TO THE TERMS, EXCLUSIONS, CONDITIONS AND STIPULATIONS SET FORTH IN THE AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92), ALL OF WHICH ARE INCORPORATED HEREIN. ALL REFERENCES TO SCHEDULES A AND B SHALL REFER TO SCHEDULES A AND B OF THIS POLICY.

SCHEDULE B

EXCEPTIONS FROM COVERAGE AND
AFFIRMATIVE INSURANCES

Except to the extent of the affirmative insurance set forth below, this policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Those taxes and special assessments which become due and payable subsequent to Date of Policy.
2. Covenants, conditions and restrictions, if any, appearing in the public records; however, this policy insures against loss or damage arising from:
 - a. the violation of any covenants, conditions and restrictions on or prior to Date of Policy, except that this affirmative insurance does not extend to covenants, conditions and restrictions relating to environmental protection, unless a notice of a violation thereof has been recorded or filed in the public records and is not referenced in an addendum attached to this policy;
 - b. a forfeiture or reversion of title from a future violation of any covenants, conditions and restrictions appearing in the public records, including any relating to environmental protection; and
 - c. any provisions in any covenants, conditions and restrictions under which the lien of the insured mortgage can be extinguished, subordinated or impaired.
3. Any easements or servitudes appearing in the public records; however, this policy insures against loss or damage arising from (a) the encroachment, at Date of Policy, of the improvements on any easement; and (b) any interference with or damage to existing improvements, including lawns, shrubbery and trees, resulting from the use of the easements for the purposes granted or reserved.
4. Any lease, grant, exception or reservation of minerals or mineral rights appearing in the public records; however, this policy insures against loss or damage arising from: (a) any affect on or impairment of the use of the land for residential one-to-four family dwelling purposes by reason of such lease, grant, exception or reservation of minerals or mineral rights; and (b) any damage to existing improvements, including lawns, shrubbery and trees, resulting from the future exercise of any right to use the surface of the land for the extraction or development of the minerals or mineral rights so leased, granted, excepted or reserved. Nothing herein shall insure against loss or damage resulting from subsidence.
5. This policy insures against loss or damage by reason of any violation, variation, encroachment or adverse circumstance affecting the title that would have been disclosed by an accurate survey. The term "encroachment" includes encroachments of existing improvements located on the land onto adjoining land, and encroachments onto the land of existing improvements located on adjoining land.

ADDENDUM TO SHORT FORM
RESIDENTIAL LOAN POLICY

[File Number:]

Addendum to Policy Number:

IN ADDITION TO THE MATTERS SET FORTH ON SCHEDULE B OF THE POLICY TO WHICH THIS ADDENDUM IS ATTACHED, THIS POLICY DOES NOT INSURE AGAINST LOSS OR DAMAGE BY REASON OF THE FOLLOWING:

TITLE AGENTS

TITLE AGENTS ERRORS & OMISSIONS INSURANCE

Has your E&O carrier recently been downgraded or left the market altogether?
Have your rates been raised substantially?

Just complete the attached quick quote and fax it to **THE PLUS COMPANIES, INC.** at 908-685-7655. We'll provide you with a quote from American Home Assurance Co. rated A++ (Superior) by return fax.

Yes, I would like a quick quote for my Title Agents E&O Insurance.

Name of Agency _____ Date Established _____

Contact Person _____

Address _____

City _____ State _____ Zip _____

Phone () _____ Fax () _____

Are you currently insured? Yes ___ No ___ If yes, provide your current:
Insurance Company _____

Limits _____ Deductible _____ Premium _____

Expiration Date _____ How many years continuously insured? _____

Title / Abstracting / Search	\$ _____
Settlements / Escrow	\$ _____
Other	\$ _____
TOTAL	\$ _____

Is 100% of your work Residential/Commercial and/or Agricultural (no oil, gas, minerals/metals, etc.)? Yes ___ No ___

Have you had any E&O claims or circumstances in the last 5 years? Yes ___ No ___

The **Plus** Companies, Inc.

Please visit our web site at
www.thepluscos.com

520 U.S. Highway 22 • P.O. Box 6920
Bridgewater, NJ 08807-0920

800 475 8797

908.685.7650 • Fax 908.685.7655

The Plus Companies

ERRORS & OMISSIONS INSURANCE

ERRORS & OMISSIONS INSURANCE

Abstracter/Agent Survey Focuses on Employee Benefits

by John D. Haviland and Richard W. McCarthy

For the sixth year ALTA has surveyed abstracters and title agents about their operating statistics and other characteristics. This year, special emphasis was placed on cash compensation and benefits of employees in title companies. The information developed in these surveys is helpful in tracking operating results, in comparing one company with another, and in evaluating changes in the industry. All abstracter and title agent members of ALTA were invited to participate, and member companies are provided several opportunities to respond. This year 286 companies responded to the survey making the results a credible and reliable snapshot of abstracter and title agent company characteristics.

How Responses Are Reported

Revenue is the primary demographic characteristic of all surveyed companies. Survey responses are reported in four categories of 2001 annual revenue. The chart below shows the percent of respondents in each revenue category in the current survey and in the three previous surveys (based on gross revenue in 2001).

Revenue	'99	'00	'01
Less than \$500,000	58%	60%	51%
\$500,000-\$999,999	14%	17%	21%
\$1 million-\$3 million	18%	14%	19%
More than \$3 million	10%	10%	9%
Not reported	3%	-	-

Survey results are also reported by the number of orders received in the

preceding calendar year. The chart below shows the percent of companies in the current survey and in the three previous surveys (based on orders received in 2001) for each of five categories.

Orders Received	'99	'00	'01
Fewer than 500	18%	20%	13%
500-1,099	24%	23%	23%
1,100-2,499	20%	19%	22%
2,500-4,999	12%	12%	12%
5,000 or more	11%	9%	11%
Not reported	16%	17%	20%

Participants in the current survey reported a median of six full-time employees, compared with a median of five full-time employees in the previous survey and in 2000. In the 1999 survey, which also reported on compensation and benefits, the median was six full-time employees. The percent of survey participants in each staff size category is:

Full-time Employees	'99	'00	'01
1-2	20%	20%	17%
3-5	33%	34%	25%
6-10	17%	22%	26%
11-25	19%	15%	18%
More than 25	10%	9%	14%
Not reported	2%	1%	-

Format of Tables— Explanation of Statistics

Several conventions are followed in all tables in this report: Zero percent, "0%", indicates the response was less than 0.5% of the column total. A

dash, "-", indicates there was no response to report, and a blank, " ", indicates there were too few values to calculate a median or a percentile.

The first row in a table is labeled "Number Surveyed" and reports the total number of survey responses. The number of responses reported by a table may be less than 286 companies when the table reports the responses of various groups. Groups that contain fewer than all respondents are identified by a boldface heading immediately preceding a row labeled "Number Reporting." When a table reports categorical responses such as "Yes" and "No" answers, the response is represented by two rows. The first row reports the number of respondents who gave that answer. The second row reports the percent of all respondents in that column who gave that answer.

In tables that report numbers—offices, employees, annual revenue, operating expense, payroll, and employee compensation—responses may be summarized and described by an average, a median, a 25th percentile, and a 75th percentile. The average is the simple arithmetic mean of all the numbers or values reported. When all the numbers (values) are listed from lowest to highest, the median is the middle of the distribution. The median is calculated when three or more values were reported and may be interpolated when an even number of values was reported. The 25th percentile identifies the point on the list that is

equal to or greater than 25% of all reported numbers. The 75th percentile identifies the point on the list equal to or greater than 75% of all reported numbers. The 25th and 75th percentiles are calculated when at least five values were reported.

Average Pay vs. Weighted Average Pay

Participants were asked to report, for each job in which there was at least one incumbent employee, the average rate of pay. If there was only one employee in the job, the average rate of pay was the current rate of pay of that employee. For jobs with multiple incumbents, participants were asked to report highest and lowest rates of pay as well as the average rate pay. In the tables that report employee compensation, average rate of pay is the simple arithmetic average of all company averages reported to the survey. Weighted average pay is the average of the company averages times the number of incumbents in the job, for each respective company.

Operating Characteristics of Surveyed Companies

Gross revenue and number of orders received are highly correlated. Seventy-one percent of companies that received fewer than 500 orders in 2001 reported less than \$250,000 revenue. Thirty-nine percent of companies that reported 5,000 or more orders had more than \$5 million revenue. The largest number of companies with 500–1,099 orders reported revenue of \$250,000 to \$499,999. The largest number of companies with 1,100–2,499 orders reported revenue of \$500,000 to \$999,999, and the largest number of companies with 2,500–4,999 orders reported revenue of \$1 to \$3 million. Of the 286 survey participants, 234 (82%) reported revenue from title insurance. Among these 234 companies, title insurance accounted for an average of 63% of 2001

revenue. Among all participants 159 companies (56%) reported revenue from abstracts. Abstracts accounted for an average of 43% of revenue among these 159 responses. Revenue from escrow/closing functions averaged 22% of total revenue among 213 companies reporting. Revenue from law practice averaged 27% of total revenue, with 16 of the 286 surveyed companies reporting law practice revenue.

Table 1 describes relationships between total revenue, orders received, and sources of revenue.

One-third of responses, the largest number from any region, are from the West North Central region of the United States, an area that includes Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, and Kansas. Another 19% of responses are from the East North Central region, 15% represent the West South Central region, and 14% represent the Mountain region. Although the West North Central region accounts for the single largest number of responses, there is a larger number of small companies in these states. Among companies with less than \$500,000 revenue in 2001, 42% are located in the West North Central region. Among the 94 companies in the West North Central region, 62 (66%) reported less than \$500,000 revenue.

One-half of surveyed companies have six or more full-time employees in all offices and in their primary location. One-fourth of respondents have at least 12 full-time employees at their primary location and at least 15 employees in all offices. Another one-fourth of respondents have three or fewer full-time employees.

Survey respondents were also asked what jobs are currently performed by contract workers. Typical jobs performed by contract workers, based on survey responses, include abstracting and searches. Although closings were also frequently mentioned, contracting out closings

appears less typical than contracting out abstracting and title searches. Other jobs mentioned by two or more respondents include title examinations, accounting and bookkeeping, inspections, typing and clerical work, computer maintenance, and office cleaning.

Operating Expense and Payroll

Operating expense ranged from an average of \$202,000 among companies with less than \$500,000 revenue to an average of \$10,014,000 among companies with more than \$3 million revenue. Average operating expenses in 2000, as reported in the previous survey, ranged from \$189,000 among companies with less than \$500,000 revenue to \$5,494,000 among companies with more than \$3 million revenue. One-half of the smallest companies, measured by revenue, reported 2001 operating expenses of \$188,000, compared with \$147,000 reported for 2000. One-half of the largest companies reported 2001 operating expenses of \$4,700,000, compared with \$3,555,000 for 2000.

Operating expenses vary directly with orders received, ranging from an average of \$168,000 among companies that received fewer than 500 orders, to an average of \$604,000 among companies that received 1,100 to 2,499 orders, and an average of \$7,861,000 among companies that received 5,000 or more orders. Within each category of orders received, median operating expense per median order received, as reported in the last three surveys, is:

Orders Received	'99	'00	'01
Fewer than 500	\$418	\$239	\$383
500-1,099	\$240	\$292	\$348
1,100-2,499	\$333	\$256	\$273
2,500-4,999	\$440	\$406	\$257
5,000 or more	\$462	\$412	\$319

Total payroll in 2001 averaged \$807,000, compared with an average

payroll of \$643,000 reported for 2000. Payroll ranged from an average of \$114,000 among companies that reported less than \$500,000 revenue to an average of \$5,171,000 among companies that reported more than \$3 million revenue. In 2000, payroll ranged from \$112,000 among companies with less than \$500,000 revenue to an average of \$3,615,000 among companies with more than \$3 million revenue.

One-half of the smallest companies, measured by revenue, reported payroll of \$94,000 or less. One-half of the largest companies reported payroll of \$2,209,000 or more.

Within each revenue category, 2001 payroll is approximately one-half of 2001 operating expense. Median payroll as a percent of median operating expense was 50 to 55% among companies that received fewer than 5,000 orders in 2001. Among

companies that received 5,000 or more orders, payroll was 41% of operating expense.

Dollars of payroll per order received may have decreased among larger companies in 2001, as reported to the current survey. Within each category of orders received, median payroll in 1999, 2000, and 2001, divided by median number of orders received, is:

Orders Received	'99	'00	'01
Fewer than 500	\$214	\$161	\$210
500-1,099	\$140	\$194	\$179
1,100-2,499	\$189	\$139	\$152
2,500-4,999	\$227	\$208	\$145
5,000 or more	\$275	\$213	\$130

Residential Title Business

On average, 81% of surveyed companies' title business is represented by residential (single family) transactions. For the largest number of surveyed companies, 38%,


residential business accounts for 90 percent or more of their title business. Only 3% of respondents reported that residential business accounts for less than 50 percent of their title business.

Staff Compensation and Benefits

If you are interested in a discussion of compensation by position and various benefit packages, please contact ALTA.

John Haviland is chair of the ALTA Research Committee - Abstracter/ Agent Subcommittee. He can be reached at haviland@strato.net. Richard McCarthy is director of research for ALTA. He can be reached at rich_mccarthy@alta.org.

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TABLE 1 Gross Revenue in 2001

	Total Survey	Gross Revenue				Orders Received				
		Less than \$500,000	\$500,001-\$999,999	\$1 Million-\$3 Million	More than \$3 Million	Fewer than 500	500-1,099	1,100-2,499	2,500-4,999	5,000 or More
Number Surveyed	286	146	59	54	27	38	65	63	33	31
2001 Gross Revenue										
Less than \$250,000	81 28%	81 55%	-	-	-	27 71%	20 31%	9 14%	3 9%	-
\$250,000-\$499,999	65 23%	65 45%	-	-	-	9 24%	23 35%	15 24%	6 18%	1 3%
\$500,000-\$999,999	59 21%	-	59 100%	-	-	2 5%	14 22%	25 40%	6 18%	2 6%
\$1-3 million	54 19%	-	-	54 100%	-	-	8 12%	12 19%	13 39%	11 35%
\$3.1-5 million	12 4%	-	-	-	12 44%	-	-	2 3%	4 12%	5 16%
\$5.1-10 million	12 4%	-	-	-	12 44%	-	-	-	1 3%	9 29%
More than \$10 million	3 1%	-	-	-	3 11%	-	-	-	-	3 10%
SOURCES OF GROSS REVENUE										
Percent from Title insurance										
Number Reporting	234	103	53	52	26	33	50	51	25	29
25th percentile	50%	48%	59%	41%	50%	45%	60%	40%	20%	50%
Median	70%	70%	75%	66%	70%	68%	72%	70%	60%	70%
75th percentile	80%	80%	80%	78%	80%	85%	80%	80%	70%	80%
Average	63%	62%	65%	60%	66%	61%	70%	62%	49%	64%
Percent from Abstracts										
Number Reporting	159	92	25	28	14	18	35	37	20	20
25th percentile	5%	8%	5%	6%	5%	5%	5%	5%	35%	5%
Median	27%	70%	20%	11%	13%	30%	25%	25%	79%	17%
75th percentile	85%	100%	55%	39%	27%	90%	100%	75%	99%	62%
Average	43%	55%	33%	25%	17%	43%	44%	43%	66%	32%
Percent from Escrow/Closing										
Number Reporting	213	97	49	45	22	27	48	48	24	24
25th percentile	11%	10%	17%	13%	19%	10%	18%	11%	6%	13%
Median	20%	18%	20%	20%	25%	14%	24%	20%	22%	20%
75th percentile	30%	25%	30%	30%	30%	30%	29%	28%	30%	30%
Average	22%	19%	25%	25%	25%	20%	24%	23%	20%	20%
Percent from law practice										
Number Reporting	16	7	3	5	1	5	2	3	1	1
25th percentile	6%	8%	-	2%	-	70%	-	-	-	-
Median	10%	20%	10%	10%	-	75%	-	10%	-	-
75th percentile	45%	75%	-	10%	-	80%	-	-	-	-
Average	27%	41%	32%	9%	2%	67%	11%	9%	10%	5%
Percent from all other sources										
Number Reporting	76	32	11	22	11	8	16	17	11	14
25th percentile	5%	5%	4%	4%	2%	4%	3%	8%	9%	2%
Median	10%	10%	10%	10%	5%	7%	8%	11%	13%	5%
75th percentile	15%	17%	14%	15%	13%	9%	14%	32%	15%	10%
Average	14%	16%	12%	13%	8%	6%	12%	20%	14%	7%

Viewpoint

by R.K. Arnold

Well, we just finished another fantastic quarter. Our business depends on your business—so ya'll must be doing great too!

It's not just the refinance boom that's making us look good. We've continued to add new members at about the same rate as last year. We now have more than 1,000 companies registering loans on a daily basis. They average about 24,000 loans per day, six days a week. In fact, we just set a single day record with 64,000 loans in one day.

Our members have registered almost 15,000,000 loans on the MERS[®] System in total. We're capturing well over 40% of all the mortgage loans originated in the

United States. When you consider that our members save an average of \$22 per loan in eliminated assignments by registering them—that's a lot of money saved!

For our county recorder friends, I should add that a mortgage is recorded in the public land records every time a loan is registered on the MERS[®] System. We couldn't do what we do without them, and the rate of homeownership would not be what it is today in the United States without them either.

Most recorders understand the power of electronic commerce and see the benefit MERS brings to consumers by lowering the overall cost of buying a home. Reducing the cost of homeownership is one of our nation's truly great societal goals, particularly given that the impact is most pronounced among

lower-income families.

Here's a list of our biggest customers:

Company	# of Loans Registered on MERS
Countrywide	1,773,375
WAMU	1,142,657
GMAC	905,916
HomeSide	726,3
Lehman/ALS	443,624
Wells Fargo	425,086
Principal	402,055
Household	345,945
GreenPoint	337,851
Wachovia	310,386
Flagstar	303,922
Chase	288,354
First Nationwide	262,004
Fifth Third	238,825
Alliance	234,481

New MERS Interface Introduced

In March Cyberlink Technologies of West Hills, CA introduced an interface between MERS and loan origination systems.

Named eRAMP, it is designed to work with existing loan origination systems to organize data from one to hundreds of loans into logical, easy to read set of screens. Loan file data can be added, modified or deleted for a single loan, or for groups of loans. Using filters and automated processes, eRamp makes working with loan files and MERS faster and easier.

"We're pleased that Cyberlink has provided an alternative to our members for generating MINs and registering loans on MERS," said Dan McLaughlin, MERS executive vice president, Product Division.

"eRAMP gives every lender the ability to take advantage of MERS in an easy to use, cost effective system" said David Nguyen, president of Cyberlink. "Every loan should be registered with MERS and eRAMP makes the process simple, easy and affordable."

eRAMP currently works with loan origination systems such as MortgageWare, or any others that can create an ASCII text comma delimited export file. Cyberlink is completing development of other LOS interfaces for Calyx Point, Contour, DataTracs, Genesis and Byte. For more information on obtaining eRAMP, contact Cyberlink Technologies, Inc. at 818-340-9696, or visit www.oncyberlink.com.

Did You Know?

Looking Up MINs on MERS[®] Link

Have you ever needed to look at a MIN on the MERS[®] System and received the message that your organization is not associated with the MIN? Now, you have the ability to look at a limited amount of information on these MINs using MERS[®] Link, including whether or not the MIN is active with information about the current servicer.

If you are the MERS[®] System administrator for your company, you can access the Security option on the system. Select "List of Roles" on the menu option. As you select each role, you will see the security functions assigned to that role. When you activate the MERS[®] Link function and update the role, the User will see a menu option for the MERS[®] Link application when they next log into the MERS[®] System.

Selecting this option will direct you to a new screen where you can enter in the MIN number or conduct a search using the primary borrower's social security number, name, property address or FHA/VA/MI certificate number. If the MIN is registered on the MERS[®] System, you will receive notification that one or more MINs matched the search criteria. You can then select the MIN you wish to view and the MIN level information displays.

For more information on MERS[®] Link, please contact the MERS Help Desk at 888-680-MERS (6377).

Straight Talk

by Sharon Horstkamp, MERS Corporate Counsel

Subordination Agreements

A question was recently asked that involved the following facts: ABC lender assigned an existing mortgage lien to Mortgage Electronic Registration Systems, Inc. (MERS). The assignment had been recorded in the applicable county land records. Following our procedures, the MERS member that instructed the mortgage lien to be assigned to MERS registered the mortgage on MERS and is currently servicing the loan for the end investor. The borrower now is refinancing with XYZ Lender, and a subordination agreement is needed. Who signs it? The servicer? MERS? The investor?

The answer is that MERS signs the Agreement. We would also recommend that the lender (current servicer/MERS member) also sign. The reason is that a subordination agreement is used as a way for the existing lien holder (MERS) to show its consent that the new mortgage from XYZ will be considered the first lien and therefore, take priority even though it is recorded after the existing lien.

In the case described above, there was a problem because the MERS member/current servicer signed the Agreement under its own name. However, MERS is the lien holder on the existing mortgage by virtue of the recorded assignment. The Agreement should have referenced that both MERS and the lender subordinates the lien of its "Existing Mortgage" to the lien of the "New Mortgage," so that the "New Mortgage" will be prior in all respects and with all funds advanced to the lien of the "Existing Mortgage."

We have put a sample Subordination Agreement on our Web site (www.mersinc.org) under our Sample Documents. Like all of our samples, the document is not state specific and must only be used as a guide to modify your current agreement.

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

Communications Manager
Karmela Lejarde
karmelal@mersinc.org



member news

California

Jeffrey A. Weber, current vice president of First American Title Insurance Co., Santa Ana, has been named to the additional post of associate general counsel.

Since 1991 he has been vice president and senior national claims counsel for the eastern half of the U.S. He began his tenure with First American in 1997 as vice president-regional claims counsel for the company's office in Washington, DC.



Florida

Jordan E. Kanter has been appointed vice president and director of Florida 1031 Exchange Services for LandAmerica Financial Group, Inc., Orlando. Kanter was a former managing partner and lead litigation attorney for the law firm of Kanter and Kanter in New York.

Massachusetts

Michael Krone has been named vice president and special counsel by First American Title Insurance Company, Boston. He will be in charge of the firm's Broker's Advantage Division. Prior to joining First American, he was partner in the law firm of Kushner, Sanders and Krone, where he served as manager of the real estate division.



You Could Be Here!

If you have recently accepted a new position, have received a promotion or some other Kudos, we want to hear from you! Send your news announcements via e-mail to: lorri_ragan@alta.org or via snail mail to: ALTA, 1828 L St. N.W., Suite 705, Washington, DC 20036.

Missouri

Nanci Napoli has been named vice president/manager for First American Title Insurance Company's National Commercial Services office in St. Louis. She has been engaged in some area of the real estate industry for more than 30 years.



Nevada

United Title of Nevada has named a new marketing team to serve the growing Spanish-speaking market. **Claudia Turcas, America Venegas, and Miguel Gonzalez** have been named to the team.

Ohio

Joseph L. Petrelli, Jr., has joined Demotech, Inc., Columbus, as senior consultant. Prior to joining Demotech, Inc., Petrelli had been in the Enterprise Application Systems area of Deloitte Consulting since 1997.



Pennsylvania

Cheryl Cox has been appointed vice president of LandAmerica OneStop Services, Pittsburgh. Cox is a veteran of 25 years in the real estate lending business, including senior executive positions with Lender's Service, Inc., Bank One, and First Horizon Mortgage.

Texas

Bill James has been promoted to vice president and Southwest agency manager for LandAmerica Financial Group subsidiary, Lawyers Title Insurance Company, Dallas. With 22 years of industry experience, he most recently served as area agency manager of new agency business in Texas and Oklahoma.

new ALTA members

ACTIVE MEMBERS

Colorado

Mr. John Holdheide
Accurate Closing Services, Inc.
Englewood

Connecticut

Mr. Charles Couch
Redding

District of Columbia

Mr. Randy Weiss
Cardinal Title & Escrow, Inc.
Washington

Florida

Ms. Susan Luther
All American Title Insurance, Inc.
Brandon

Georgia

Ms. Stasie French Rusek
Independent Title Company
Atlanta

Mr. Patrick Parker
P. Scott Parker & Co.
Atlanta

Mr. Scott Walterhoefer
Athens

Ms. Joseph McArdle
JOMAC Title Service
Columbus

Mr. James Hamrick
Decatur



ESCROW ACCOUNTING PROCEDURES CD

(Program updated in 2003 to run on newer Windows® platforms)

Update Special—Offer Good Only Until 6/30/03

\$70 ALTA members

\$120 non-members

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

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

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

The kit includes:

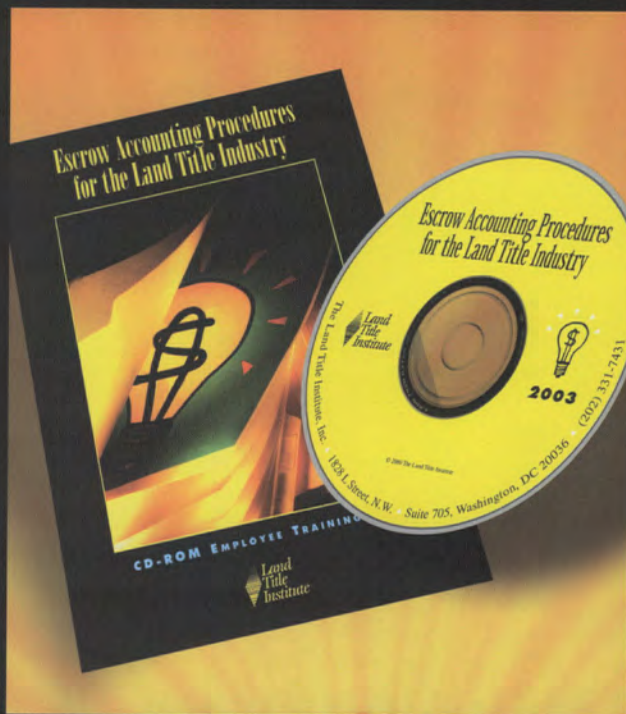
- Interactive CD-ROM tutorial with self tests to reinforce lessons learned
- Sixty-seven page reference guide complete with useful checklists and a glossary
- American Land Title Association’s 2000 Escrow Internal Control Guidelines for Title Insurance Companies, Agencies, and Approved Attorneys.

It is the best-organized, most useful collection of escrow accounting procedures ever assembled, and it is available at an affordable cost! To request an order form, call LTI at **202-331-7431**, or download the secure order form from the Internet at www.alta.org; click on “Educ/Land Title Inst”; then “LTI Videos & CD-ROMs”; and scroll down to “Escrow Accounting Procedures.”

Escrow Accounting Procedures for the Land Title Industry

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

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



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Texas, cont.

Ticor Title Agency of San Antonio has two new employees. **Mark Schwarz** has been named commercial closer. Schwarz most recently served as executive vice president and managing director of Grubb & Ellis Company. And **Charles Hepler** has been named chief operating officer for the Boerne office. Most recently he served as executive vice president of the Greater San Antonio Builders Association.

**Florida**

Larry Furlong has been promoted to Florida/Caribbean agency sales manager for Fidelity National Title Insurance of New York. Previously, he was senior vice president and state agency manager for Florida.

New Business Unit

First American Corporation has launched a new business unit, First American Residential Real Estate Group, Inc., and named Stephen C. Roney as president and chief executive officer. The new company will provide service, technology, outsourcing and product solutions to companies serving the real estate and relocation markets.

Mergers and Acquisitions

LandAmerica Lawyers Title announces the acquisition of Weld County Title Company in Greeley, CO.

Kudos

Donald P. Kennedy, chairman of First American Corporation, Santa Ana, CA, has been named Director of the Year in the category of Corporate Growth by the Forum for Corporate Directors. The Director of the Year Award recognizes those who have made outstanding contributions to the field of corporate governance and holds them up as role models for others.



Since its founding in 1991, the forum for Corporate Directors has promoted effective leadership in corporate governance through a variety of educational programs and services that address the professional needs of corporate directors, boards, and other stewards of business activity. The organization provides opportunities that encourage free expression on a variety of boardroom issues supplemented with expert resources that bring timely input and training. Details: David Schulz, (714) 800-3298.

In Memorium**George Garber**

George Burton Garber, ALTA president from 1966-1967 and former president of Title Insurance and Trust Company, Los Angeles, passed away January 18 after a long illness. He was 91.

George was born in Garber, Oklahoma, a town named after his grandfather. He attended the University of Washington (Seattle) and received his JD degree from the University of Washington Law School.

He served as president of Washington Title Insurance and Trust Company in Seattle and was active in a variety of community activities in the city. He was head of the United Good Neighbors Campaign in 1955, which set, what was then, a new record for funds raised in a single year.

He and his family moved to Los Angeles in 1957, and he became vice president of Title Insurance and Trust

new ALTA members**Illinois**

Ms. Susan Johnson
American Title Guaranty, Inc.
Dekalb

Mr. Robert Sims
Evanston Title Services, LLC
Evanston

Kentucky

Ms. Donna Fazio Bakhtiari
Fazio Title Link Corp.
Louisville

Ms. Glenna Shields
Thoroughbred, Inc
Louisville

Mr. Edward Flaherty
Prospect

Louisiana

Mr. Alan Tennyson
Alan Tennyson Abstracting, LLC
Baton Rouge

Mr. Joseph Brown
J.C. & Lillian Brown, Abstractors
Erwinville

Ms. Laurie Blanchard
Land Title Investigations
Prairieville

Massachusetts

Mr. Dennis Golden
Norwood

Maryland

Mr. Arvin Rosen
Home Title Company, Inc.
Baltimore

Mr. Duane Young
Precision Settlement & Escrow, LLC
Greenbelt

George Garber, cont.

Company. This eventually merged with Pioneer National Title Insurance Co., which became Ticor Title Insurance Co., which merged with Chicago Title, and is now part of the Fidelity family.

During WWII, George was rejected from military service. However, he went on to perform an equally important service to the country. George helped write the title work on the land in Washington state that housed America's first atomic bomb, something he had to keep secret for many years.

George was also president of the Los Angeles area USO, the state of CA USO, and as the national president of the USO. He helped raise funds to build the new USO club in Los Angeles and was a good friend of Bob Hope.

His first wife, Harriet, died in 1967. In 1969 he married Phyllis Lyngheim, and in 1973 he retired from Pioneer Title and moved to Laguna Niguel, CA. There he became active in a variety of civic and charitable causes. He served as president of the Laguna Niguel Rotary, president of the El Niguel Country Club, and was twice president of the American Gold Star Mother's Home in Long Beach. He and some friends also formed a Dixieland band and performed around Orange County.

He is survived by his wife of 34 years, Phyllis, four children; 10 grandchildren and two great-grandchildren. Donations can be made to the charity of your choice or to the University of Washington Law School Foundation, c/o University of Washington Law School, 1100 N.E. Campus Parkway, Seattle, WA 98105.

How Many?

"How many of your lender customers send an electronic closing package?" This was the most recent question on the "ALTA Wants to Know" portion of ALTA's home page. Answers: None: 6%; Some, 60%; Most: 30%; All 3%. To enter your response and see how others have responded go to www.alta.org and see the box in the "Resources" section.

new ALTA members

Maryland, cont.

Ms. Sonya Hamlin
PSS Title, LLC
Greenbelt

Michigan

Mr. Dennis Morrison
D & H Abstracting Inc.
Paw Paw

Mr. Douglas Proctor
Transword Title Company, LLC
West Bloomfield

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Ms. Carol Bullard
Polk County Title Company, LLC
Bolivar

Ms. Kelly Sonnenberg
Town and Country Title Associates, Inc.
St. Louis

Mississippi

Mr. Timothy Farris
Hattiesburg

New Hampshire

Ms. Kelly Bergeron
First Service Title Company, LLC
Jaffrey

New York

Mr. Alan Greene
Continental Abstract Corp.
Carle Place

Ohio

Mr. Michael Franklin
Franklin & Blair, Ltd.
Ashtabula

Mr. Thomas Jacklitch
Mid America Land Title Agency, Inc.
Dayton

Ohio, cont.

Ms. Diane Shroats
Marion Title Agency Ltd.
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Tennessee

Mr. Sal Varsalona
Five Rivers Title, Inc.
Sevierville

Utah

Mr. Thor Roundy
Advanced Title Ins. Agency, LC
Salt Lake City

Virginia

Ms. Stephanie Turner
Monument Title Company, Inc.
Alexandria

Mr. David Gouger
Bellona Title Agency, Inc.
Mechanicsville

Mr. Edward Lautenschlager
Olde Salem Title Agency, Inc.
Salem

Ms. Crystal Ballif
Stanardsville

Mr. Khayal Saeed
Affordable Title Inc.
Virginia Beach

Mr. Gary Crawford
American Home Title
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Mr. Charles Pittman
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Marketplace

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

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

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.

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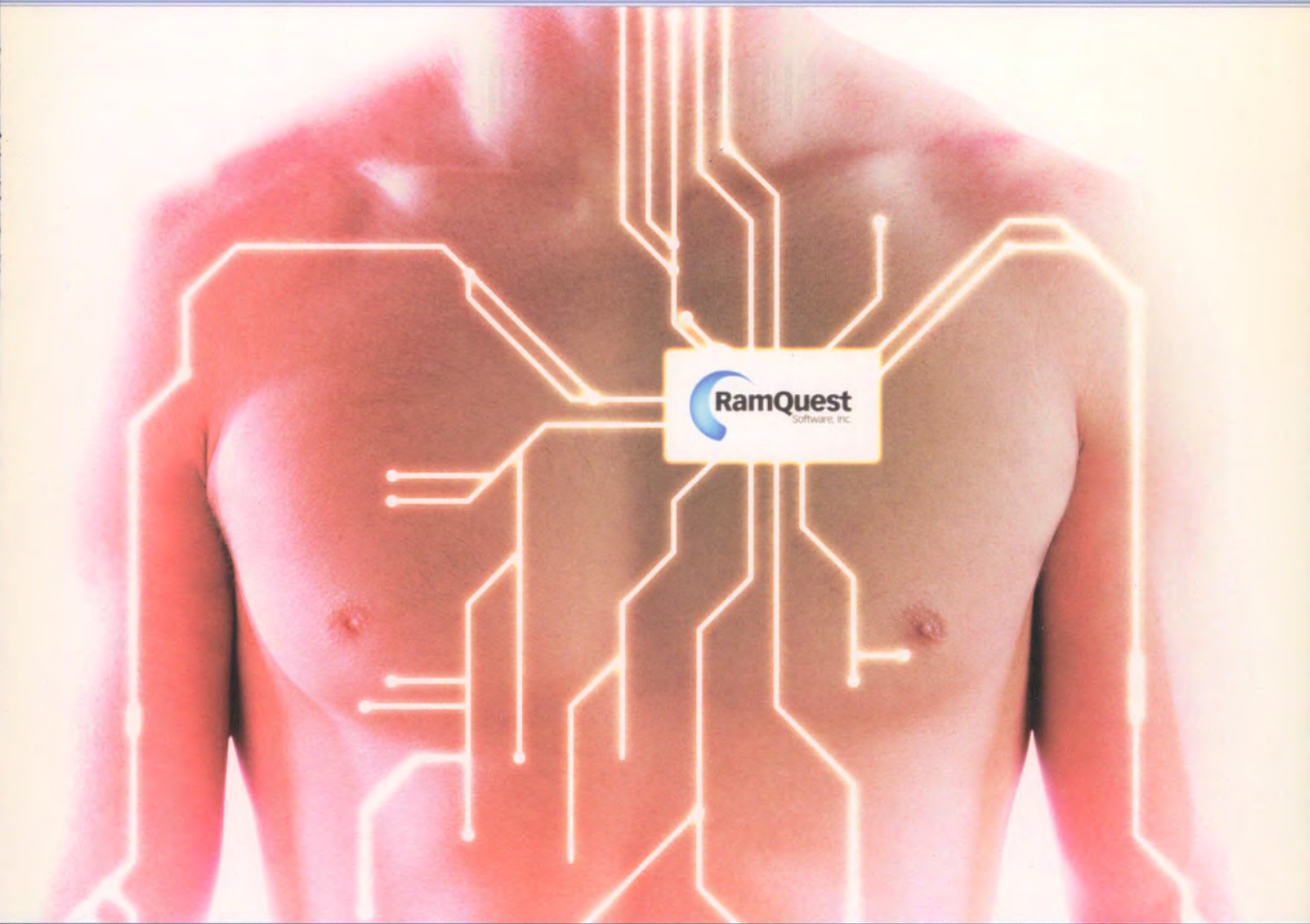
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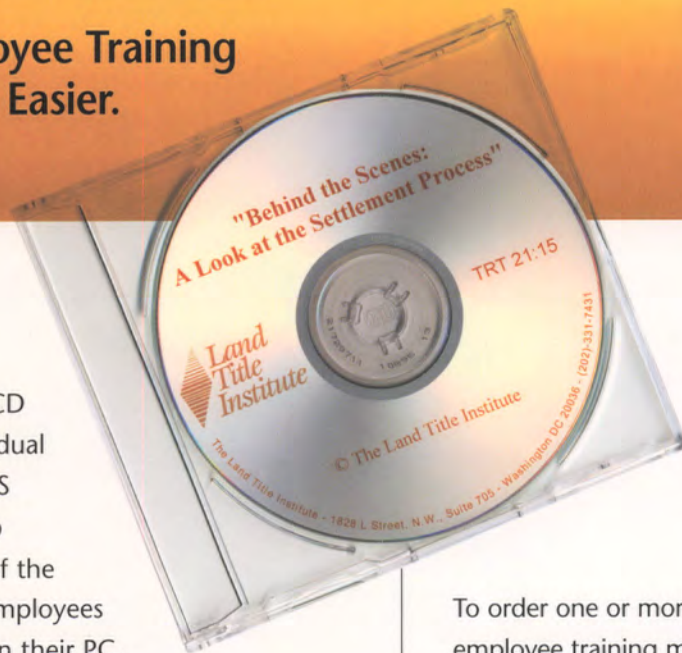
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LTI video programs available on CD are:

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- A Policy Overview
- Behind the Scenes: A Look at the Settlement Process
- Closing Real Estate Transactions: Process and Problem-Solving with the HUD-1
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