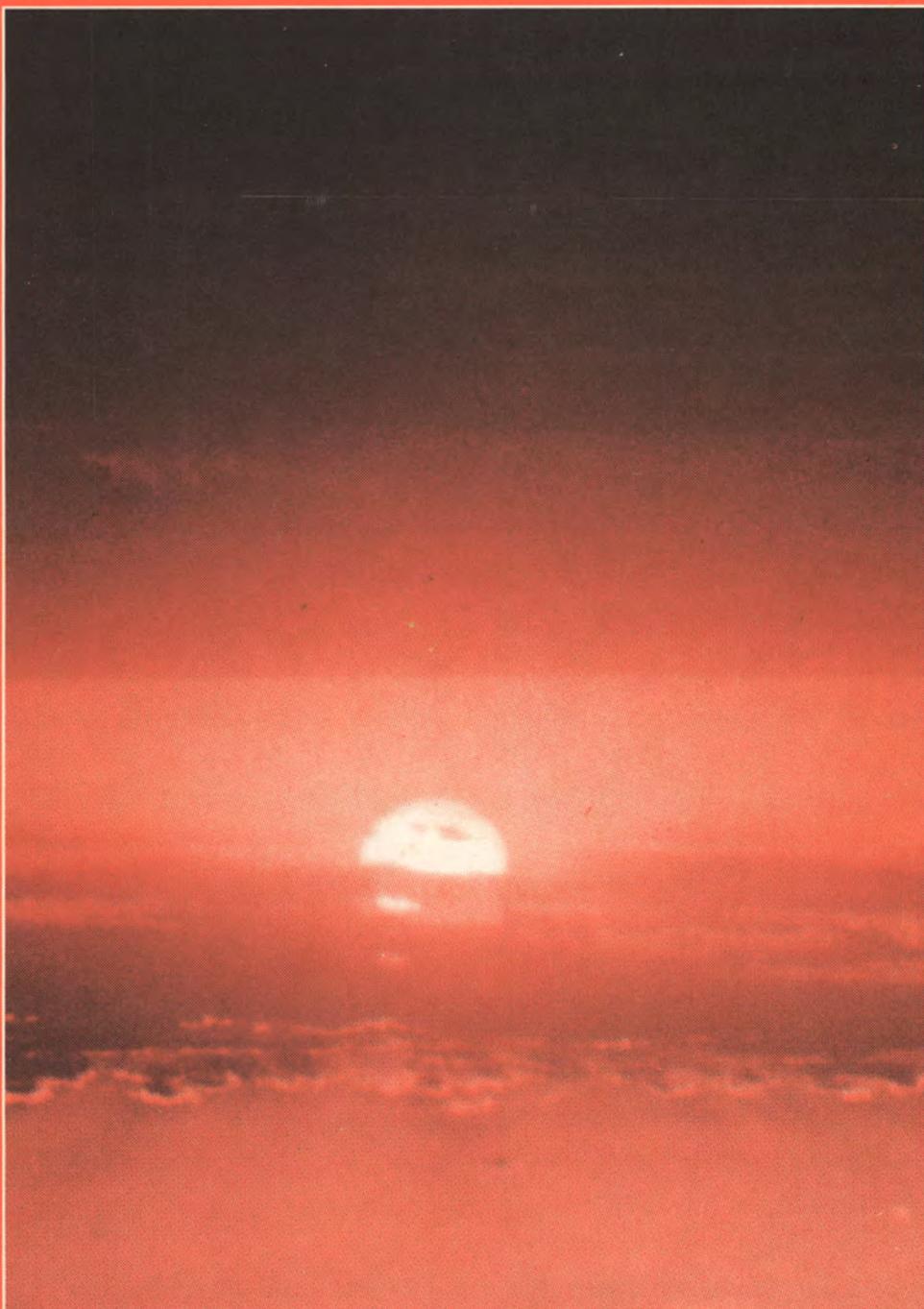

MAY
1977

Title News



In this issue:

- **Sundown on the mid-winter conference**
- **ALTA interviews**
Patricia Harris



a message from the President. . .

The Denver Chamber of Commerce has launched a program designed to educate its membership and the public in general. The program carries a slogan that is a natural follow-up to the close of the bicentennial celebrations. "Movin' On To A Better America" is that slogan. In America we have been "movin' on" for over 200 years. Fortunately, it has always been for a better America.

But, the Denver Chamber has put its finger on another aspect of "movin' on" that has been high on my list for some time. That is the right of free enterprise, as it exists in America today, and the magnificent role free enterprise plays in making America great.

The campaign was launched in January, and since then, radio messages, billboards, newspaper advertisements, editorials and articles about the program have appeared throughout the Denver area. I have picked them up on prime drive time and can say that they are so appealing they make me very glad I am an American and that I have moved to Denver.

For example, the messages are designed to clear up many misunderstandings about the business community and how it operates, and they include information the public might not ordinarily have access to.

A radio message about the communications industry reminds the listener about the importance of the media by saying that radio, television, and newspapers tell us about everything worthwhile that happens in the world within moments after it happens.

A message about the commercial banking industry calls it the economic hub of our free enterprise system. It asks the listener,

"Have you ever thought about the endless transactions that people and business go through every day just to keep the American economy in motion?"

What a tremendous program this is! How much grumbling and dissatisfaction can be answered just by calling the obvious to the attention of the listener.

A personal word of congratulations to the Denver Chamber of Commerce on its campaign. Perhaps other chambers, or associations throughout the nation may pick up this flag and wave it high. After all, that's what this is all about — "Movin' On To A Better America."

Sincerely,

Philip D. McCulloch

Title News



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Title industry issues dominate meeting roster

Discussions focusing on important issues facing the land title industry formed the framework of the 1977 Mid-Winter Conference. Approximately 475 persons convened for the meeting March 2-4 at the South Coast Plaza Hotel in Costa Mesa, Calif.

Issues including Torrens, state and federal regulation, the Real Estate Settlement Procedures Act (RESPA) and increased member involvement in affairs of the industry peppered the two-day program. Contributing another dimension to the conference were productive ALTA committee meetings on a wide variety of matters. A welcome aspect of the Conference was favorable weather, characterized by warm temperatures and sunny skies, which offered a welcome respite to conference-goers arriving from colder climates.

The wide range of speakers who covered topics as diverse as the

95th Congress and the implementation of RESPA consistently agreed on one point, also made by ALTA President Philip D. McCulloch in his opening remarks — ALTA members must become more involved in industry affairs. Involved not only in ALTA and affiliated association activity, but also in the decision-making processes of government and politics.

"If the Consumer Protection Agency is set up, it will be well staffed by former Nader advocates — people who want more federal government," Rep. John H. Rousselot (R.-Calif.) said in his Conference address. "If you'll relax and enjoy it, it's inevitable — there'll be more regulation of your business." (See box below.)

Although Rousselot said he doesn't believe there is currently a great deal of sentiment in Congress to put in place a national land registration system, he urged ALTA members to offer input to Congress on their ideas relating to Torrens. "If you don't speak up, nobody else will — and especially as it relates to an understanding of your business," Rousselot said.

Speaking on implementation of RESPA, Housing and Urban Development (HUD) Consultant Dale A. Whitman assured his audience that HUD is highly receptive to comments from the title industry — both as a trade association and as individuals. (See box on page 6.)

Roger L. McNitt, chief deputy insurance commissioner, California, built his speech around change as it relates to the title industry, which McNitt characterized as a business that historically has not kept pace with changing times.

Rousselot criticizes federal intervention in private business

In Capitol Hill circles, Rep. John H. Rousselot, a Republican from California's 26th Congressional District, is regarded as somewhat of a maverick. Unafraid to say in very clear terms exactly what he thinks, irregardless of who agrees with him, Rousselot, who addressed the ALTA Mid-Winter Conference, is also known for the fact that every Congress he introduces a resolution to balance the budget.

In his home territory in southern California, Rousselot has survived a redistricting and as of the 95th Congress, is entering his fifth full term in the U.S. House of Representatives since his first election in 1961.

He serves on the Banking, Finance and Urban Affairs Committee and is ranking Republican on the Bank Supervision and Insurance Subcommittee. Among his other committee assignments are the Joint Economic Committee and the House Budget Committee.

At the Mid-Winter Conference, Rousselot delivered what can only

be termed a rousing speech. It was a speech in true Rousselot style — steeped in ironic wit which he has well honed during his years in Congressional committee meetings and on the floor of the House chamber.

"If the Consumer Protection Agency comes into being, it will be well-staffed by former Nader advocates — people who want more federal government — not less — more federal government to supervise every phase of activity. If you'll relax and enjoy it, it's inevitable — there'll be more regulation of your business," he said.

Rousselot pointed to an increasing trend to send problems that can't be solved at the local level, to the federal government with the misguided belief that "somehow they'll figure it out," he said, concluding that this practice becomes very costly.

The example he cited as proof of this pattern's failure is the attempt to make the post office an indepen-

dent business with the aim of improving it. "It's just an independent government agency, that's all it is. The cost has quadrupled. The deficit has gone up. If you like the post office, you're going to love what comes out of HUD," he said.

Rousselot said he does not believe the answer to regulation of the title insurance business should come out of the federal government. "We



He urged his listeners to "anticipate change, not just react to it."*

Blair Shick, senior consultant for Arthur D. Little, Inc., gave an interim report on the firm's study of the Torrens system, which has been ordered by ALTA. He outlined general observations, preliminary findings and other results of the study. (See box on page 8.) The study was authorized by the ALTA Executive Committee and Board of Governors at the 1976 Annual Convention and is being coordinated through the Government Relations Committee.

In another presentation, led by Government Relations Committee Chairman Philip B. Branson, a three-member affiliated association panel discussed challenges recently faced by the title industry in their states. They reported how their associations, assisted by ALTA, had dealt with the situa-

*The full text of McNitt's speech will appear in a future issue of *Title News*.

tions. Seated on the panel were R.C. Kissling, president of the Washington Land Title Association; Ralph C. Smith, president of the District of Columbia and Metropolitan Area Land Title Association, and Jack H. Johns, vice president of the Land Title Association of Colorado. Chairman Branson, in his concluding remarks, urged ALTA members to call for help whenever needed.

Speaking from an individual point of view, C.L. Coffman, chairman of the Title Insurance Accounting Committee, encouraged members to approve a proposed ALTA Uniform Financial Reporting Plan.* The plan was presented for a vote the final day of the conference and adopted by members in the general session limited to active members.

The need for a strong ALTA public relations program was demon-

*The full text of Coffman's speech will appear in a future issue of *Title News*.

strated in the Public Relations Committee Report. Chairman Patrick McQuaid cited Torrens land registration advocacy which had surfaced in Seattle and in Washington, D.C., and described the role of industry public relations capability in combatting related consumer misinformation.

Chairman McQuaid reported on the status of the continuing national flow of television, radio and print public service material developed by the committee which positively identifies the land title industry with serving consumer interests.

In conjunction with Corporate Productions, Inc., Hollywood, the committee and ALTA staff are developing a treatment for a script to be used for a television public service film. The purpose of the film, Chairman McQuaid said, is to support objectives of the ALTA government relations program by emphasizing the importance of the

(continued on page 6)

have state regulation on the issue of title policies and all related costs and there's a very historical and proper reason for that. And that (reason) is there are differing parts of the country that have different kinds of title problems," he said.

The California Congressman said he eventually expects a serious effort in Congress to mount a national Torrens system but not



before Congress receives recommendations from HUD based on studies that the federal agency was mandated to execute under the Real Estate Settlement Procedures Act (RESPA). "I hope it (HUD) does move with glacial speed because that gives us more time to look at it," he said.

"Now's the time for your input to Congress on your concepts of the Torrens system," Rousselot said.



"You have every right to be heard from in both the Congress and Executive branches of the government and if you don't speak up, nobody else will and especially as it relates to an understanding of your business.

"So I hope that you do contact your Congressman. The best time to see him is when he's in his district because the atmosphere is better. He isn't having to run back and forth to committees and that kind of thing.

"You have a point of view as it relates to the title business. You understand it; you know it; you've lived with it. . . . It's imperative to activate yourself to not only be active in your own organization but know your Congressman. Give him input. That doesn't mean they'll all listen to you — same with your Senator. You have a right to be heard and petition. If you don't, you really can't depend on Ralph Nader to represent your better interests because in my judgment, he doesn't even represent the consumer very well."

Rousselot emphasized that another way to insure input is to support

(continued on page 12)

HUD consultant speculates on the implementation of RESPA

In his Mid-Winter Conference remarks, Dale A. Whitman, Brigham Young University law professor and consultant to HUD, advised land title professionals to follow a course of participatory pragmatism in responding to RESPA study provisions.

The former HUD staff member said emotional or overdrawn reaction to RESPA activity would be counterproductive, and urged title men and women to work with the agency in RESPA study projects that would improve the chance of positive settlement reform for the public.

Professor Whitman focused his remarks on RESPA Section 13, which calls for HUD establishment of demonstration land parcel recording systems, and Section 14 of the Act — which requires HUD to report back to Congress on implementation of RESPA and calls for the agency to recommend any additional federal settlement legislation deemed necessary.

The Utah academician said HUD has little in-house expertise on real estate settlement matters, and consequently is expected to rely mainly on outside resources during its implementation of Section 13. He characterized his

remarks as speculative and including what he personally would like to see done, then outlined the following as possible inclusions under the RESPA study provisions

- It may cover the question of how well RESPA is working from the viewpoint of the consumer, lender and settlement industry.

“Instead of thinking in terms of ‘them’ vs. ‘us’, let’s expand our consciousness and do the job better for the public.”

- It may focus on the extent of price competition in the settlement services market and probably involve development of some empirical data.
- It may look at competition in the market for home mortgage loans, since this is an aspect of a possible proposal calling for lenders to pay for home buyer settlement charges. (HUD study of the lender-pay alternative is required under RESPA Section 14.)
- It may also look at federal and state regulation of the settlement industry — specifically at the effectiveness of state bars

and insurance commissioners as well as the desirability of the McCarran-Ferguson Act federal antitrust law exemption for title insurance.

As regards timing of the Section 13 task, Whitman said related HUD Requests for Proposals probably would envision a three-year work program. The first year would be devoted largely to research and design of the demonstration site selections. Implementation and study of the demonstration projects, the report itself and dissemination of the report would be covered during the second and third years.

Whitman said four demonstration projects tentatively are planned, with grants to local governments totaling \$4 million. The umbrella contractor for the project probably would help HUD decide how many demonstration systems there will be, where they will be located and their scale.

With the contractor's advice, HUD is expected to decide who will be on a related advisory council. Whitman said the council most likely will include representatives from private industry as well as government. It is likely that ALTA will have an opportunity to be represented on the council, Whitman said.

Whitman outlined possible RESPA research tasks, some of which may

Conference—(continued from page 5)

present American system of land transfer and title insurance while countering misconceptions about the land title industry without raising these in a negative way.

A relatively new challenge facing the title industry concerns recent Indian land claims which have become particularly visible in the Northeast. In a joint meeting of the Abstracters and Title Insurance Agents Section and Title Insurance and Underwriters Section, Chairman of the newly formed Indian Land Claims Committee Marvin C. Bowling Jr. and committee member Oscar H. Beasley reported on the situation.

Before recounting the history of the Indians as it relates to

European settlement of the United States, Chairman Bowling prefaced his report by saying, “It’s going to have the most widespread repercussions of any legal decision that the U.S. Supreme Court is eventually going to have to make.

“Congress, no matter what they do, is going to have to make some very difficult decisions which will help some people and harm others.

“I don’t need to tell you that any attack in a widespread area on common law fee simple title. . . . any attack which has as its aim the complete taking away of that title in favor of another entity, will have repercussions on the title industry as well.”

In the Abstracters and Title Insurance Agents Section business

meeting, updates were given on the errors and omissions insurance situation. In addition, a report by J.W. Bartram, chairman of the Organization and Claims Committee, summarized activities of that committee.

Arthur L. Reppert, chairman of the Errors and Omissions Liability Insurance Committee, moderated the discussion on errors and omissions. Reports on the subject were given by Claude C. Jones, Florida; Robert G. Frederick, Kansas, and William Scott Everhart, Illinois.

In the Title Insurance and Underwriters Section, ALTA General Counsel Thomas S. Jackson spoke on the pricing and marketing of insurance as discussed in a report of the Department of Justice to the

result in model legislation. These are:

- Survey of the state of the art, including field visits to some of the more innovative systems in operation. This will include at least one computerized private title plant as well as public systems.
- Research on legal constraints to improvements of existing conventional recording systems.
- Research on legal impediments to implementation of innovative systems such as computerized, tract-indexed, integrated or parcel-identifier-based systems.
- Research on inherent legal problems of the recording system such as off-record defects, non-parcel-related instruments or exemptions from coverage of marketable title acts.
- Research on methods of eliminating duplicate historical searches of title — assignable title policies and recordation of title opinions or policies as examples.
- Research on ways of improving the Torrens system. (This may result in development of a model Torrens statute.)
- Research on the role of maps and surveys in title records improvement.

HUD Consultant Dale A. Whitman (center) confers with Public Relations Committee Chairman Patrick McQuaid and ALTA President Philip D. McCulloch (right).

Whitman urged ALTA members to become involved in HUD study activity under RESPA. He said industry members should present their opinions to HUD and assured they would be considered.

Whitman suggested that each title executive "think how you and your company can benefit from the changes — eliminating the necessity for maintaining a costly

plant, for example. Even in a full Torrens system, there may still be a role for the private title insurers. Be innovative.

"Consider whether or not you and a local government could join forces to qualify for a demonstration project under Section 13. It will be unfortunate if we spend a lot of money to help local governments

(continued on page 12)



Task Group on Antitrust Immunities. Chairman Bowling reported on activities of the Forms Committee in the same section meeting.

In other activities, Francis E. O'Connor, chairman of the Title Industry Political Action Committee (TIPAC), reiterated its importance and emphasized the need for participation of every member through financial contributions.

In yet another report, ALTA President-Elect C.J. McConville spoke on title insurance across the nation in a speech before a general session.

Reporting to the Executive Committee in his capacity as Indian Land Claims Committee Chairman, Marvin C. Bowling Jr. said the

committee recommends retaining John C. Christie Jr. of a Chicago law firm to conduct basic research in this area. The Executive Committee and Board of Governors subsequently approved the recommendation. Christie's research is to be available to all ALTA members, including those in need of the information for preparation to defend against individual Indian claims. However, if Christie's services are used to supervise litigation related to one or more individual claims of a title company, those services are to be paid for by the company concerned.

The Executive Committee assigned the responsibility of the political aspects of the Indian land claim situation to the Government Rela-

tions Committee, and Chairman Bowling was designated an *ex officio* member of that committee.

The Executive Committee agreed to inform any inquiring organization or individual that ALTA has not yet taken a position on the following pending model laws under study by the ALTA Committee on the Commission on Uniform Laws:

- The Uniform Land Transactions Act
- The Uniform Simplification of Land Transfers Act
- The Uniform Condominiums Act

This year is the first that ALTA Annual Convention expenses will be the sole responsibility of the

(continued on page 9)

Members hear Torrens study interim report at Mid-winter

Registering land is an expensive and time consuming process and legal assistance is almost completely unavoidable before, during and after registration, Blair Shick, senior consultant for Arthur D. Little, Inc., reported at the ALTA Mid-Winter Conference.

Contributing to this expense are professional responsibilities in administration of the system. In addition, official fees are higher and expenditures still exceed revenues, Shick said.

There are no apparent savings in subsequent transfer costs although there is a potential for time savings. There is little or no difference in attorney fees and, in some instances, more legal effort is required. The expense and legal effort are aggravated by problems with the certificates such as those posed by death, divorce or loss of the certificate itself, Shick said.

For the Torrens system to work, "it is highly dependent on quality administration which translates to money," Shick said in the interim report of his firm's Torrens study ordered by ALTA. This principle is obviously as true in England as it is in the U.S.

The Torrens system costs the British government the equivalent of \$25.8 million to run in England alone. (Ireland and Scotland are excluded from the Torrens statute and Wales was just put into the system this year.) Besieged on all sides by severe economic problems, England abolished the separate Torrens fund in 1971 and currently funds the system through the general revenue fund, Shick reported.

Torrens was "fought bitterly" in England during the years between 1876 and 1897. Then, in 1902, the opponents lost and a compulsory system was enacted. As of 1976, five million parcels had been registered in the system. Shick said in his opinion, "They are only halfway there. It's taken them 74 years to get almost halfway in terms of a compulsory system."

In addition to British experience with the Torrens system, the Arthur D. Little study also focuses on three American urban areas — Boston, Chicago and the Minneapolis-St. Paul areas — where Torrens is used with some frequency, and it identifies elements common to all three areas. They are:

- The owner's duplicate must accompany voluntary transfers.
- Administrative and/or judicial proceedings are required to alter or replace the certificate. For example, loss, surviving tenant or divorce.
- The fund is administered by another agency which indemnifies land losses only.
- The property may not be withdrawn, once registered.
- There are statutory and judicially imposed exceptions. For ex-



- Registration is initiated by a court proceeding.
- The court is assisted by an administrative office (the examiner).
- Notice is given to interested parties.
- The certificate is prepared and issued in accordance with decree.
- A percentage of the value is paid into the indemnity fund.
- The master remains on file with the original documents.
- The registry administration is integrated with that of deed recording.
- Subsequent claims and interests must be entered on the certificate.

ample, federal statutes, based on the Constitution obviously cannot be cut off by state law.

Yet another aspect adding to the expense of Torrens in the U.S. is the fact that certification runs to legal description, not boundaries. This fact encourages out-of-state lenders to require surveys.

Considering the exposure, indemnity funds are low. The Cook County fund for 250,000 parcels of land amounts to \$4.4 million. In Massachusetts, it is \$350,000; \$50,000 in Hennepin County, Minnesota, and \$98,000 in Ramsey County, Minnesota.

The primary incentive for use of Torrens continues to be to clear

(continued on page 12)

Conference—(concluded)

national Association; the Executive Committee and Board of Governors set registration fees for the 1977 Convention at \$80 for members and \$80 for spouses.

In other action relative to Association meetings, the Board of Governors approved the Hyatt of Hilton Head Island in South Carolina as the site for the 1980 Mid-Winter Conference during March 11-14. The 1980 Annual Convention will be held October 11-15 at the Hilton Hawaiian Village on Waikiki Beach in Honolulu.

The Board also elected Ernest J. Loebbecke of Los Angeles and James G. Schmidt of Philadelphia as ALTA Honorary Members. Presentation of the memberships will be made at the 1977 Annual Convention in Washington, D.C.

The Board approved the Membership and Organization Committee's recommendation that individual members of law firms be consider-

ed for associate membership, but not law firms as such.

A dues increase for associate members from \$50 to \$100 yearly was approved by the Board in line with the recommendation of the Membership and Organization Committee.

In his report, Finance Committee Chairman Robert C. Dawson said the previously anticipated 1977 ALTA budget deficit had increased from \$90,000 to approximately \$246,000. Among the contributing factors is \$100,000 for general legal research in the Indian claims matter and an increase from a previous \$35,000 to \$70,000 for the Arthur D. Little Torrens study.

He also reported that in 1976, ALTA had a net operating income of \$73,045 and earned \$28,831 from the reserve asset fund, a fact that he said is especially gratifying since the Association had budgeted a deficit of \$44,000 for 1976.

Reports of the Finance Committee as well as that of Treasurer Fred B. Fromhold were approved by the Board of Governors and active members who attended the final general session.

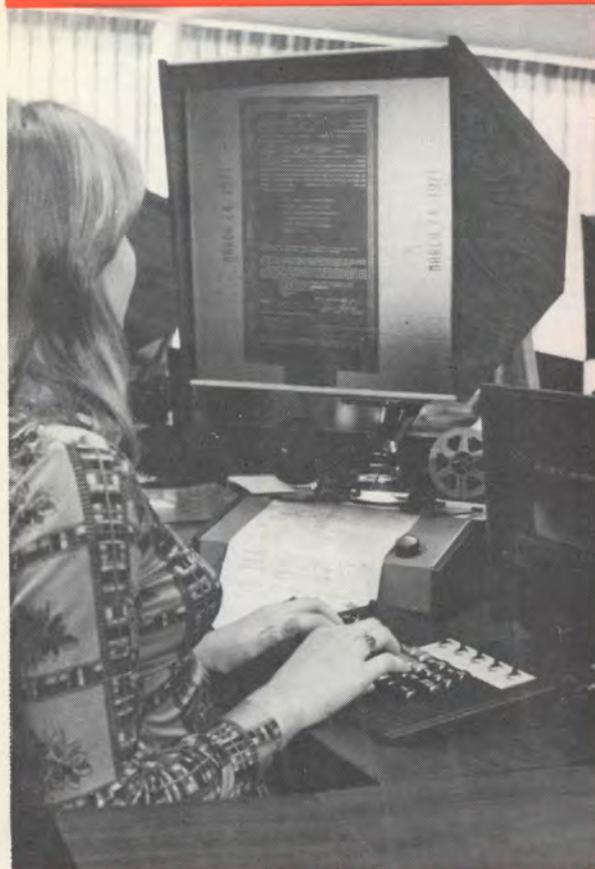
In other Executive Committee action, Ralph C. Smith of Vienna, Va., was appointed to the TIPAC Board of Trustees.

ALTA Past President dies at age of 83

Earl Glasson, ALTA president from 1949-1950, died April 9 in Clearwater, Florida, at the age of 83. Mr. Glasson was associated with the Black Hawk County Abstract Co. in Waterloo, Iowa, for 45 years, and served as its president for 20 years.

He had retired as vice president, director and trust officer of People's Bank and Trust Co. and was retired director of Perpetual Savings and Loan Association.

He is survived by his wife, Dorothy, three children and a brother.



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Torrens—(concluded)

poor titles, clarify boundary disputes and minimize remote risks for commercial interests, Shick said.

With Torrens, the need for additional assurance mechanisms has not been eliminated due to state law exclusions, inadequacy of funds and lack of recognition in the secondary mortgage market.

Rousselot—(concluded)

the Title Industry Political Action Committee (TIPAC). "That is the way the unions have gained the power they have today in Congress," he pointed out.

"The input time is now," he reiterated. "Put as many people as you can on the advisory committee (RESPA—see *Whitman's talk, page 6*). Find out where they are, what they're doing, when they meet. Be there. Hire your own consultant to go watch them. Then when you find out where the four model groups are in the country, make sure you input to them also."

Rousselot drew applause from the general session audience when he said the highest level of government should basically be state law. Then he went on to quote James Madison who said, "There are more instances of abridgement of freedom of the people by gradual and silent encroachments of those in power than by violent and sudden usurpation."

"Now that's exactly what's happened in this country," Rousselot said. "We have given to the American consumer an add-on cost in all products and services by federal action of \$150 billion per year. We have an ICC that won't let the railroads run on a normal basis so the only way you can save them is to nationalize them."

"Don't let that happen to your industry. I say *now* is the time to start. Do not let it happen to your industry on a gradual basis," Rousselot concluded.

Albright plans new building

The Albright Title and Trust Co. of Newkirk, Okla., has announced construction plans for a new building to house its Ponca City headquarters.

The project, to be completed in October, represents an investment of \$250,000, according to John W. Warren, president.

Of the 5,000 square feet represented in the building, one-fifth will be available to outside tenants.

RESPA—(concluded)

re-invent the wheels which you already have. Most of them are quite naive about your needs and about the ways you serve the public.

"Instead of thinking in terms of 'them' vs. 'us', let's expand our consciousness and do the job better for the public. We have barely scratched the surface in thinking about public-private linkages in the title industry."

PNTI opens first Virginia office

Ronald H. Ashcraft will head the first Virginia office of Pioneer National Title Insurance Co. The new office, which opened March 1, is located at 5001 W. Broad St. in Richmond. It will handle both direct title insurance writing operations and agency services.

Prior to joining PNTI, Ashcraft was northeast agency representative and Virginia manager for Southwest Title Insurance Co., Dallas, Texas.

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Editor's note: In this issue, the new Secretary of Housing and Urban Development, Patricia Roberts Harris, is interviewed about some aspects of the Real Estate Settlement Procedures Act and what her goals are with respect to expansion of federal housing assistance programs. Among other questions, she also was asked about HUD intentions relating to expansion of its experimental financing program.

Mrs. Harris was sworn in as Secretary of Housing and Urban Development for the Carter Administration January 23, 1977.

She served two years as ambassador to Luxembourg under President Johnson, and was alternate delegate to the 21st and 22nd United Nations General Assemblies.

Mrs. Harris was admitted to the District of Columbia Bar in 1960, the same year she received a juris doctor degree with honors from George Washington University. The

following year she served as a trial attorney in the Department of Justice and joined the Howard University staff as associate dean of students and law lecturer. She later became a professor of law and dean of the law school there.

The 52-year-old Mattoon, Ill., native has served on a number of boards and commissions and at the time of her appointment as HUD Secretary was chairperson of the District of Columbia Law Review Commission.

Washington profile



Patricia Roberts Harris

ALTA: During your confirmation hearings, you pledged to be the spokesperson of the poor, ill-housed and the cities. What do you and your department plan to accomplish with respect to the expansion of federal housing assistance programs?

Mrs. Harris: The proposed Community Development Amendments of 1977, which I forwarded to the Congress on March 3, is our initial step in making good the Carter Administration's promise to address the problems of our nation's cities and assist in meeting the need for housing for low income families.

The proposed legislation is based on realistic objectives rooted in knowledge of both our resources and our needs. Specifically, it makes the Community Development Block Grant Program administered by HUD more flexible and more responsive to cities that have pressing needs as the result of declining or static populations and deteriorated neighborhoods. It seeks to stimulate new and increased private investment in re-

vitalizing urban America — "to encourage financial innovation by municipalities and their private sector partners," in the words of President Carter.

In addition, through the Housing Authorization Act of 1977, we have proposed that the production of housing for lower income families be increased and accelerated through additional funding for public housing and for Section 8 rental housing. Furthermore, we propose extension from 20 to 30 years of the statutory subsidy terms for Section 8 new or rehabilitated units undertaken by private developers without federal assistance or insurance. We believe this will overcome a major obstacle to financing the Section 8 program for low income families. We have as our goals the reservation of at least 400,000 units of subsidized rental and public housing during fiscal years 1977 and 1978.

ALTA: Housing forecasters indicate that 1977 should be a

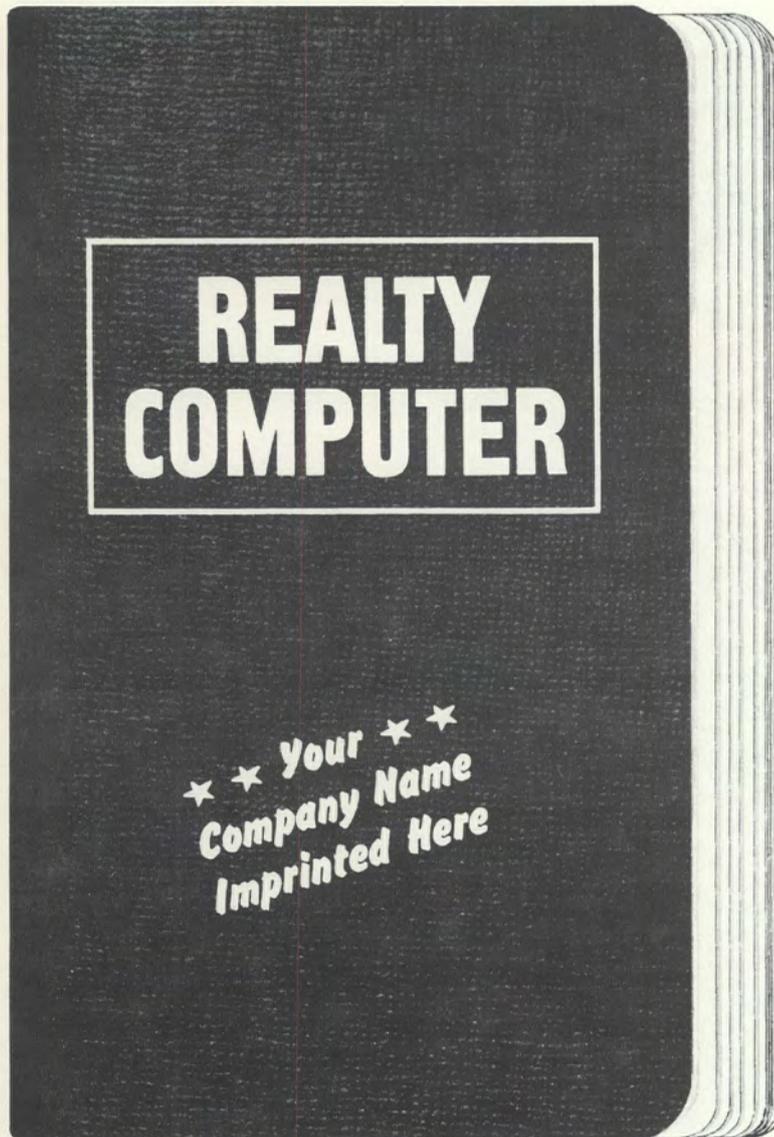
banner year, with upwards of 1.8 million housing units projected. Do you believe that this represents a sufficient level of new and rehabilitated housing units, although Congress has set its sights on housing goals of 2.6 million units through 1978?

Mrs. Harris: I believe HUD must continue to emphasize the commitment of this nation to a decent home and a suitable living environment for all our citizens. This was the basis on which Congress established the national housing goal. HUD expects to make a new assessment of the present need for new and rehabilitated housing, and we will assess the levels of assisted housing we should achieve after we study that assessment.

ALTA: Title companies are particularly interested in the procurement of the Real Estate Settlement Procedures Act (RESPA). Section 13 of RESPA requires the HUD Secretary to establish demonstration land parcel recordation systems in a manner to simplify and facilitate

(continued on page 15)

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land transfers and mortgage transactions. What are the department's principal objectives in setting forth study proposals under Section 13?

Mrs. Harris: As authorized by Section 13 of the Real Estate Settlement Procedures Act, a demonstration planned to begin this year will be directed toward creating a model system for recording land title information that will facilitate land transfers and mortgage transactions.

The objective of the demonstration is to establish a more effective and efficient approach to the recording of land titles, which may be accomplished through a nationally uniform system (a consideration mandated by the statute) or through procedures adapted to state and local circumstances.

ALTA: Do you think lenders should be permitted to offer borrowers an alternative to the fixed rate mortgage instrument? Does HUD plan to expand its experimental financing program?

Mrs. Harris: Congress specifically prohibited experimentation with variable interest rates on federally-insured mortgages.

The Federal Housing Administration has limited authority to insure mortgages on an experimental basis to facilitate early home ownership for households whose income can be expected to rise substantially. These "graduated payment" mortgages allow home owners to make smaller monthly payments initially and to increase their size gradually over time. The five different payment plans available vary in the duration and rate of increase of the monthly payments.

The administration's Housing Authorization Bill for fiscal year 1978 proposes amending Section 245 of the National Housing Act to permit fuller implementation of the experimental financing authority under which the graduated payment mortgage program has been developed.

ALTA: Do you think RESPA has been an effective means to educate the consumer on the complexities of the real estate transfer and its closing costs?



President Carter greets Secretary of Housing and Urban Development Patricia Roberts Harris at HUD.

Mrs. Harris: I believe that RESPA has been instrumental in educating consumers concerning costs involved in real estate transactions. It has alerted them to the fact that fees vary and that shopping for services can lower their costs.

Because the revised program has been in operation only since June 30, 1976, it is too early to give a definitive answer. An evaluation of RESPA that will answer the question will soon begin.

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Hazel T. Cole has been named a vice president of Lawyers Title Insurance Corp. Cole has been with Lawyers Title since 1960. She will remain as treasurer for the company, a position she assumed in 1975.

William J. Semko is the new manager of the Freehold, N.J., branch of Lawyers Title. Semko joined the company in 1975. He has been in the title business for 16 years.

Frank J. Cozzo Jr., a 21-year veteran of the title insurance industry, has been appointed vice president and main office branch manager of the Commonwealth Land Title Insurance Co. headquarters in Philadelphia. In addition to his duties at Commonwealth, Cozzo teaches title insurance theory and practice for the Philadelphia Board of Realtors.

Former Secretary of Labor and Ambassador to Japan **James D. Hodgson** and **Jan J. Erteszek**, president and founder of The Olga Co., a women's clothing manufacturer, have been elected to the board of directors of The TI Corp. Hodgson, who served as Secretary of Labor from 1970 to 1973 and recently completed service as Ambassador to Japan, has also been affiliated with Lockheed Aircraft Corp. Erteszek, who replaces the retiring J. Howard Edgerton on the TI Board, is a director in many organizations, including the Los Angeles Chamber of Commerce and the American Apparel Manufacturers Association.

USLIFE Title Insurance Co. of New York has announced the following appointments: **Carol E. Peller** as customer representative in the company's White Plains office, and **Frances Schutt** as assistant vice president and assistant office manager of the Nassau County office in Floral Park.

Fred Edward Wilbanks has been appointed a vice president of Mississippi Valley Title Insurance Co. He will also become president of Title Guaranty and Abstract Co. of Mobile, a company he has been associated with for two years.



left to right: Frank J. Cozzo Jr. and Hazel T. Cole

Names in the News...

Three promotions have been announced by the president of the Industrial Valley Title Insurance Co. **Sharon Grace** of the Radnor, Pa., office; **Carol A. Bice** of the Chestnut Hill, Pa., office, and **Charlotte Wagner** of the Jenkintown, Pa., office have all been named assistant title officers. All three were formerly branch managers of their respective offices.

Robert F. Edwards has been appointed Detroit area operations manager for Pioneer National Title Insurance Co. Edwards, a vice president with the company, has been in the title insurance business for 30 years.

PNTI also announced the appointment of **Kenneth E. Dyer** as state counsel of Michigan. Also a vice president, Dyer has been with PNTI and its affiliate companies for over 25 years.

Frances D. Dessi was honored recently for 25 years of service by American Title Insurance Co. in Miami, Fla.

In 1946, Mrs. Dessi joined Miami Title and Abstract Co., which later became a part of American Title. She was the first and only abstracter in the early days of the abstract company.

Angelo A. Mastrangelo has been elected to the board of managers of the United States Savings Bank of Newark, N.J. An associate member of ALTA, Mastrangelo is a senior partner of Fox, Schackner, Mastrangelo and Clarken in Newark.



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Hoberecht elected president at OLTA convention



The newly elected slate of officers for the Oklahoma Land Title Association is headed by Earnest Hoberecht, who was elected president at the annual convention in Oklahoma City April 15-16.

Hoberecht owns and operates both the Blaine County Abstract Co., Inc., and the Watonga Abstract Co. Formerly serving as United Press International vice president and general manager in Asia where he was a foreign correspondent for 24 years, Hoberecht retired from the news business in 1968 and entered the title industry.

Other OLTA officers for 1977 are Don Jump, partner in Southwest Abstract Co. in Lawton, vice president; Howard Thigpen, secretary-treasurer of Southwest Title and Trust Co. in Oklahoma City, treasurer, and Toney Foster, vice president of American-First Title and Trust Co. in Oklahoma City, secretary.

Lynch and Monyer author title insurance manual

Pennsylvania Title Insurance Theory and Practice is the title of a new, comprehensive manual on title insurance published by Pennsylvania State University and co-authored by Barbara A. Monyer



The Tigor Building at 6300 Wilshire Boulevard is now corporate headquarters for the TI Corporation. The company's move from its previous quarters at 433 S. Spring St. in downtown Los Angeles is its first in almost 50 years. Tigor will occupy six floors of the 21-story building at present, with available space being leased to outside tenants.

and James J. D. Lynch Jr., Esq. of Commonwealth Land Title Insurance Co.

The authors state in the preface of the 130-page text that real property legal principles and practice vary so widely from state to state that their book was needed to clarify those principles as they apply to Pennsylvania land transactions.

The seed for the book was planted in 1969 when Alvin Freiberg, Esq., then assistant vice president of Commonwealth Land Title, developed a five-page outline which became the basis for a Pennsylvania State University real estate course. Two Penn State officials, David L. Ambruster and James F. Campbell are credited by the authors with the idea for the expansion of Freiberg's outline into a complete textbook.

The book includes an instructor's guide, suggested projects, additional reading material and various appendices and addenda.

Philadelphia firm acquires D.C. title corporation

District-Realty Title Insurance Corp. of Washington, D.C., has been acquired by Industrial Valley Title Insurance Co. of Philadelphia, a subsidiary of Industrial Valley Bank and Trust Co.

The former parent company of District-Realty Title—Investors Funding Corp. of New York—is presently in reorganization under Chapter X of the Federal Bankruptcy Act, according to District-Realty Title's president, Jerome Malin. Malin also said that the firm's management and operations will continue unchanged.

Nelson G. Harris, president of Industrial Valley Title Insurance, is the new chairman of the board of District-Realty Title.

ALTA action...



ALTA representatives met with President Carter's special representative William B. Gunter May 5 in the Old Executive Office Building next to the White House to discuss the Indian land claims dispute in Maine and Mashpee, Mass.

Attending the meeting in the ALTA group were John Christie Jr., special Indian research counsel, and William T. Finley Jr., legislative counsel; Indian Land Claims Committee Chairman Marvin C. Bowling Jr.; Government Relations Committee Chairman Philip B. Branson, and Federal Legislative Action Committee Chairman Robert C. Dawson. Staff members attending were Executive Vice President William J. McAuliffe Jr. and Director of Government Relations Mark E. Winter.

The Indian Land Claims Committee met in the ALTA office the day preceding the ALTA-Gunter meeting.

Two other ALTA committees met during the first weeks of May. ALTA President Philip D. McCulloch and Executive Vice President McAuliffe attended the Planning Committee meeting May 9-10 at the O'Hare Hilton in Chicago.

The ByLaws Committee met the day following the Planning Committee at the same hotel. Executive Vice President McAuliffe attended.

In recent weeks, ALTA Director of Public Affairs Gary L. Garrity has met separately with five Washington-based media personnel to discuss various issues of interest to the land title industry. They are Lynn Conover, *American Banker*; Leah Young, *New York Journal of Commerce*; Ron Shafer, *The Wall Street Journal*; John Willmann, real estate editor of *The Washington Post*, and Lewis Silver, *U.S. News & World Report*. Ongoing media contact work is an important part of ALTA public relations activity.

May is a particularly busy month for certain ALTA officers and staff members as the affiliated state conventions schedule gets into full movement.

President McCulloch attended both the Texas and New Mexico annual meetings. Abstracter and Title Insurance Agents Section Chairman Roger N. Bell went to the Iowa and Washington conventions while the ALTA representative at the Tennessee Land Title Association meeting was Robert C. Bates, chairman of the Title Insurance and Underwriters Section.

President-Elect C.J. McConville and Executive Vice President McAuliffe both attended the New Jersey convention.

Corporate contributions from ALTA members to defray the Title Industry Political Action Committee (TIPAC) operating expenses totalled \$20,000 this year.

In other TIPAC news, the Board of Trustees will meet May 18 in Los Angeles to discuss the number of advisory trustees. It is anticipated that the number will be expanded from the current nine regional coordinators to 50 state coordinators.

Chairman of the ALTA Forms Committee Marvin C. Bowling Jr., Executive Vice President McAuliffe and ALTA General Counsel Thomas P. Jackson attended the May 19 American Bar Association Committee Meeting on Residential Real Estate Transactions in Washington, D.C.

Sotico Corp. buys Southern Title

Southern Title Insurance Corp. of Richmond, Va., has been purchased by Sotico Corp., a privately held Charlottesville, Va., based company.

In announcing the acquisition, George H. Gilliam, president of Sotico and a Charlottesville attorney, noted that Chairman of the Board John H. Randolph, President Percy M. Smith, Jr., and Vice President Poulson C. Reed will remain in their respective positions at Southern Title as will

Andrew J. Brent, a member of Southern Title's Board of Directors.

Headquarters for the company will remain at 2000 Central National Bank Building, Richmond, although an additional office has opened at 420 Park St. in Charlottesville. The Charlottesville office will be managed by Ernest A. Flynn, a Southern Title vice president.

MBA's Rothchild urges limits on FHA be eased

In testimony before Congress recently, a leading spokesman for the housing finance industry spoke out in favor of easing limitations on Federal Housing Administration programs with the aim of bringing those programs in line with current needs and market conditions.

Speaking before the Senate Committee on Banking, Housing and Urban Affairs, Kennon Rothchild, president of the Mortgage Bankers Association of America, endorsed the FHA proposals to increase loan limits and lower the downpayments on FHA-insured mortgages.

The current limit is \$45,000 under the basic Section 203(b) single-family mortgage insurance program. The downpayment on a \$45,000 house is \$3,750. The proposed changes would increase the limit to \$60,000 and simultaneously lower the downpayment on a \$45,000 house to \$1,750.

"The record has shown that FHA mortgage ceilings do little to hold down the cost of housing to the consumer," Rothchild said. "The construction industry is as competitive as most industries and, in view of the small share of FHA insurance in the total construction market, it is unrealistic to think that FHA mortgage ceilings have any marked effect on housing costs."

"Reduced downpayment requirements for purchasers using FHA financing will demonstrate that such high ratio loans are a viable means of increasing home ownership," he said.



An open letter to Ralph Nader

american title insurance company

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JAMES W. ROBINSON
Senior Vice President

Dear Mr. Nader:

Reference is made to the January 4 letter to HUD Secretary, Patricia R. Harris, from the Housing Research Group of the Center for Study of Responsive Law which, according to a news release issued by that organization, is a "Nader Group." That letter states:

"Modern titles systems, such as the Torrens Land Registration System, could vastly simplify the title search process and reduce costs."

Mr. Nader, the Torrens System isn't modern; it isn't simple and it doesn't reduce costs. Please read the enclosed pamphlet.*

The glaring inconsistency is this: you are dedicated to the interests of the consumer. You have been a leader in revealing government mismanagement, inefficiency, corruption and waste. It seems incredible that you would lend your name to a recommendation that the function now performed by professionals, through which sixty-five percent of all Americans own their own homes (unheard of anywhere else in the world) be turned over to the same bureaucracy which gave us the swine flu program, the military cost over-runs, the welfare fiasco, a federal grant to Michigan State University for a study asking students where, when and with whom they had premarital sex; another study whose principal finding was that 48% of Americans believe in the devil; an award to finance research on how to integrate hitchhiking into the transportation system and another to study the climate of Africa during the ice age? If you like our national energy policy, you'll love the Torrens system.

Do you realize that, if the recommendation for a Torrens System is adopted, some appointed or elected official in each of the country's three thousand counties will be endowed with the power to determine the legal effect of any or all of the following matters:

Deeds, mortgages, affidavits
Notices of Federal tax liens
Old age assistance liens
Conditional sales contracts
Notices of pending court actions
Writs of attachments
Plats and surveys
Money judgments
State income tax judgments
Mechanics and materialmen's liens
Actions to quiet title
Divorce actions
Change of name actions

Actions for specific performance
Foreclosure actions
Estates of deceased persons
Guardianships of minor or mental incompetents
Termination of joint tenancies
Termination of life estates
Condemnation of land
Establishment of drainage and other utility districts
Federal judgments
Internal revenue liens
Bankruptcy
Street, sewer and water assessments
Special charges for various municipal services

And, since that public official, who is typically overburdened and, therefore, far behind in his work, would be required to exercise judgment with respect to the ownership of land, can you imagine how long it would take for a real estate transaction to be settled? And how long it would take John Doe and his wife Mary to move into their dream house?

And the cost? Staggering! Don't be misled by figures picked out of the air and glibly quoted by uniformed proponents of a scheme they really don't understand. You know as well as I do, "there ain't no free lunch." Let the government pay? The burden of the cost of government inevitably falls on the shoulders of working men and women — the very consumers you are committed to protect.

Please, Mr. Nader, you, of all people, should give the consumer a break. Don't help saddle him with one more gigantic, wasteful, inefficient bureaucracy to replace an industry whose profits are low and whose service to the public is magnificent.

CC: The Honorable Patricia R. Harris

Sincerely,

James W. Robinson
James W. Robinson

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Tennessee Land Title Association
Omni International Hotel
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May 22-24, 1977

New Jersey Land Title Association
Seaview Country Club
Absecon, New Jersey

June 5-7, 1977

Pennsylvania Land Title Association
Hotel Hershey
Hershey, Pennsylvania

June 5-8, 1977

New England Land Title Association
Bretton Woods
Mount Washington, New Hampshire

June 11, 1977

ALTA Executive Committee Meeting
The Broadmoor
Colorado Springs, Colorado

June 16-18, 1977

Michigan Land Title Association
Grand Hotel
Mackinac Island, Michigan

June 16-18, 1977

Oregon Land Title Association
Sunridge Inn
Baker, Oregon

June 17-18, 1977

South Dakota Land Title Association
Kings Inn
Pierre, South Dakota

June 17-19, 1977

Illinois Land Title Association
Hyatt Regency Chicago
Chicago, Illinois

July 18-21, 1977

New York Land Title Association
Playboy Resort, Great Gorge
McAfee, New Jersey

Calendar of Meetings

July 28-30, 1977

Colorado, Idaho, Utah and Wyoming
Land Title Associations
Ramada Snow King Inn
Jackson, Wyoming

July 31-August 3, 1977

Society of Real Estate Appraisers
International Conference
Disneyland Hotel
Anaheim, California

August 11-13, 1977

Montana Land Title Association
Fairmont Hot Springs Resort
Butte, Montana

August 12-14, 1977

Kansas and Missouri Land Title
Associations
Crown Center Hotel
Kansas City, Missouri

August 25-27, 1977

Minnesota Land Title Association
Holiday Inn
Moorhead, Minnesota

September 7-10, 1977

Dixie Land Title Association
Coliseum Ramada Inn
Jackson, Mississippi

September 8-10, 1977

North Dakota Land Title Association
Grand Forks, North Dakota

September 11-13, 1977

Indiana Land Title Association
Hyatt Regency
Indianapolis, Indiana

September 11-13, 1977

Ohio Land Title Association
Saw Mill Creek
Huron, Ohio

September 22-23, 1977

Wisconsin Land Title Association
Telemark Lodge
Cable, Wisconsin

September 24-25, 1977

Carolinas Land Title Association
Wrightsville Beach, North Carolina

September 29-30, 1977

Nebraska Land Title Association
Ramada Inn West
Omaha, Nebraska

October 12-15, 1977

ALTA Annual Convention
Washington Hilton
Washington, D.C.

November 10-12, 1977

Florida Land Title Association
Sonesta Beach Hotel and Tennis Club
Key Biscayne
Miami, Florida

November 30, 1977

Louisiana Land Title Association
Royal Orleans Hotel
New Orleans, Louisiana

March 7-10, 1978

ALTA Mid-Winter Conference
Hyatt Regency Hotel
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