is presented to them. They are not attorneys, nor do they have to be.

Senator TYDINGS. Are they attorneys?

Mr. MORGAN. No; they are not.

Senator TYDINGS. What do you mean, they sign authorizations of foreclosure when proof is submitted to you?

Mr. MORGAN. Well, the foreclosure procedure in the District, when a note goes in default 90 days or more, and this is again, as I understand it, only a rule of thumb, because no trustee will sign a letter authorizing foreclosure unless the note is at least 90 days past due. They then sign a letter to a public auctioneer authorizing them to advertise the property for sale.

In every case that we are involved in, at least, we ask the auctioneer at that point to write a letter to the homeowner giving him 10 days to respond and bring the account current before the advertising starts.

We then place five ads, every other day for 10 days, in the Evening Star. By the way, the law requires in the District for only three insertions, but I think it is common practice that everyone inserts five times.

On the 10th day, on the date specified for sale, the foreclosure is held in front of the premises.

Senator TYDINGS. Do you ever personally contact the customer?

Mr. MORGAN. Do we?

Senator TYDINGS. Yes.

Mr. MORGAN. At what point, sir?

Senator TYDINGS. At any point in the foreclosure proceedings.

Mr. MORGAN. Oh, many times.

Senator TYDINGS. You mean you actually send somebody out to see them?

Mr. MORGAN. Oh, if it were—if we couldn't get them on the telephone; yes, sir. Oh, and they get a letter from the auctioneer, too. Do we contact them?

Senator TYDINGS. Yes.

Mr. MORGAN. Yes. We, of course, if an account is this bad we are, of course, making collection efforts to collect it, rather than to foreclose. I mean, we contact them by phone, by letter, by memos, and if it requires a house call we send somebody out.

Senator TYDINGS. In other words, there has never been a foreclosure with any of your trustees where the customer hasn't——

Mr. MORGAN. Is unaware?

Senator TYDINGS (continuing). Been personally advised of the foreclosure proceedings, against his property——

Mr. MORGAN. Absolutely not.

Senator TYDINGS. All right. In dealing with the Atlas Financial Corp., what services or what functions do you perform on their behalf?

Mr. MORGAN. In the purchase of the paper?

Senator TYDINGS. Yes.

Mr. MORGAN. You mean—when a contractor brings a deal to me to purchase, if I decide it's what we want, I then search the land records to be sure what our position will be on the title and search the title.

Senator TYDINGS. You check the title for them?

Mr. MORGAN. Pardon?