

Protection from Property & Mortgage Fraud



Sign Up for This Free Service from Your Register of Deeds

The Pamlico Register of Deeds is now offering a free 24/7 service that better protects residents from potential property and mortgage fraud.

Here's how to register for PropertyCheck:

1. Sign up on the website listed below.
2. Select how to receive notifications—via text or email.
3. Type in the property owner's name—as it is listed on the official document—that you would like monitored.

PropertyCheck will now automatically alert you of any recordings regarding the property you specified.

cott
PROPERTY
ICHECK

<https://cotthosting.com/ncpamlicoexternal/Sentry/Home.asp>

cott
systems

SELLER IMPERSONATION FRAUD IN REAL ESTATE



FRAUDSTERS are impersonating property owners to illegally sell commercial or residential property. Sophisticated fraudsters are using the real property owner's Social Security and driver's license numbers in the transaction, as well as legitimate notary credentials, which may be applied without the notary's knowledge.



Fraudsters prefer to use email and text messages to communicate, allowing them to mask themselves and commit crime from anywhere.

Due to the types of property being targeted, it can take months or years for the actual property owner to discover the fraud. Property monitoring services offered by county recorder's offices are helpful, especially if the fraud is discovered prior to the transfer of money.

Where approved by state regulators, consumers can purchase the American Land Title Association (ALTA) Homeowner's Policy of Title Insurance for additional fraud protection.

WATCH FOR RED FLAGS

CONSIDER HEIGHTENED SCRUTINY OR HALT A TRANSACTION WHEN A PROPERTY

- Is vacant or non-owner occupied, such as investment property, vacation property, or rental property
- Has no outstanding mortgage or liens
- Has a different address than the owner's address or tax mailing address
- Is for sale or sold below market value

CONSIDER HEIGHTENED SCRUTINY OR HALT A TRANSACTION WHEN A SELLER

- Wants a quick sale, generally in less than three weeks, and may not negotiate fees
- Demands proceeds be wired
- Wants a cash buyer
- Refuses or is unable to complete multifactor authentication or identity verification
- Is refusing to attend the signing and claims to be out of state or country
- Wants to use their own notary
- Is difficult to reach via phone and only wants to communicate by text or email, or refuses to meet via video call



For more information about real estate fraud, ask an ALTA member or visit homeclosing101.org

SHUTTERSTOCK / TANYA ANTUSENOK

SELLER IMPERSONATION FRAUD IN REAL ESTATE



TAKE PRECAUTIONS

SOURCES

- Contact the seller directly at an independently discovered and validated phone number
- Mail the seller at the address on tax records, property address, and grantee address (if different)
- Ask the real estate agent if they have personal or verified knowledge of the seller's identity

MANAGE THE NOTARIZATION

- Require the notarization be performed by a vetted and approved remote online notary, if authorized in your state
- If remote online notarization is not available, the title company should select the notary. Examples include arranging for the seller to go to an attorney's office, title agency, or bank that utilizes a credential scanner or multifactor authentication to execute documents

VERIFY THE SELLER'S IDENTITY

- Send the seller a link to go through identity verification using a third-party service provider (credential analysis, KBA, etc.)
- Run the seller's email and phone number through a verification program
- Ask conversational questions to ascertain seller's knowledge of property information not readily available in public records
- Conduct additional due diligence as needed

USE THE PUBLIC RECORD

- Compare the seller's signature to previously recorded documents
- Compare the sales price to the appraisal, historical sales price, or tax appraisal value



CONTROL THE DISBURSEMENT

- Use a wire verification service or confirm wire instructions match account details on seller's disbursement authorization form
- Require a copy of a voided check with a disbursement authorization form
- Require that a check be sent for seller proceeds rather than a wire

FILE FRAUD REPORTS

- IC3.gov
- Local law enforcement
- State law enforcement, including the state bureau of investigation and state attorney general
- Secretary of state for notary violations

FIGHT FRAUD WITH INDUSTRY PARTNERS

- Educate real estate professionals in your community, such as county recorders, real estate agents, real estate listing platforms, banks, and lenders
- Host educational events at the local or state level
- Alert your title insurance underwriter of fraud attempts

Protect Your Home from Seller Impersonation Fraud and Forgery



New Title Insurance Endorsements from the American Land Title Association (ALTA)

Why This Matters

Real estate fraud is on the rise. Criminals are using forged documents and stolen identities to impersonate property owners, sell homes that don't belong to them, and disappear with the proceeds. This is called seller impersonation fraud — and it's one of the fastest-growing threats to homeowners today.

To help protect your home ownership and your family's future, ALTA has released two new endorsements that can be added to your owner's title insurance policy, providing valuable protection before and after you buy your home.

The New ALTA Endorsements

ALTA 49 Endorsement

Forgery – New Owner's Policy – Residential (New Endorsement)

- For new homebuyers purchasing an ALTA Owner's Policy.
- Provides post-policy coverage if someone forges a deed or mortgage after you close.
- Designed for homeowners where the ALTA Homeowner's Policy is not available.

ALTA 49.1 Endorsement

Forgery – For Existing Residential Owner's Title Policy (New Endorsement)

- For current homeowners who already have an ALTA Owner's Policy.
- Allows you to add forgery protection after closing.
- Covers losses caused by forged deeds or mortgages recorded after the date of the endorsement for which you had no knowledge.

Why Add Forgery Coverage?

- The standard ALTA 2021 Owner's Policy only provides coverage for defects in title caused by forgery prior to the date of the policy. These new endorsements expand coverage for unauthorized property transfers resulting from forgery occurring after closing.
- Safeguards against financial loss caused by post-policy forgery of a deed or mortgage recorded in the public records on one-to-four family residential properties without the insureds knowledge or consent.
- Offers peace of mind in an era where digital fraud and identity theft are increasing.

Next Steps

- Ask your title insurance agent about adding the ALTA 49 (for new policies) or the ALTA 49.1 (for existing policies) to your owner's policy.
- Confirm your eligibility – the endorsements are only available for residential one-to-four family homes owned by a Natural Person or Estate Planning Entity (as defined in the Endorsement).

At Old Republic Title, we understand the value of protecting your property rights against the growing threat of seller impersonation fraud and forged documents. The new ALTA 49 and 49.1 endorsements help to take proactive steps to enhance protection against post-policy forgery. We believe every property owner deserves confidence in the title to their property and we're here to make that happen – one title insurance policy at a time.