

# Seller Impersonation Fraud

## IN REAL ESTATE TRANSACTIONS



**FRAUDSTERS** are **impersonating property owners** to illegally sell real 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 any location.

**IMPORTANT NOTE:** Some imposters are changing the mailing address where the tax bill is sent PRIOR to selling the property out from the legitimate owner. Contact the tax collector's office to find out if the subject property has had a recent address change. 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.

### How the scheme works

- The criminal searches public records to identify real estate that is free of mortgage or other liens and to identify the property owner. Properties often include vacant lots or rentals.
- The criminal, posing as the property owner, contacts a real estate agent to list the targeted property for sale and requests it be listed below the market value to generate immediate interest.
- The criminal, posing as the proper owner, requests preference for a cash buyer, and quickly accepts an offer.
- The criminal, posing as the property owner, refuses to sign closing documents in person and requests a remote notary signing.
- The criminal or co-conspirator impersonates the notary and provides falsified documents to the title company or closing attorney.
- The title company or closing attorney unwittingly transfers closing proceeds to the criminal.
- All communication is electronic, not in person.

### Be on the lookout when a Seller...

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

### How to prevent falling victim...

- Conduct open-source research for the identity and a recent photo of the purported seller.
- Request an in-person or virtual meeting to see government-issued identification.
- Be alert when a seller accepts an offer below market value in exchange for receiving the payment in cash and closing quickly.
- Use **trusted title companies** and attorneys for the exchange of closing documents and funds.

Where approved by state regulators, consumers can purchase the **Chicago Title Homeowner's Policy of Title Insurance** for additional fraud protection. Consumers can enjoy peace of mind knowing they are insured by one of the industry's premier title insurers. Our Homeowner's Policy coverage protects homeowners against claims arising both before and after the policy date. The homeowner is covered if someone else has an interest in or claims to have rights affecting the title, or the title is defective. Post-policy protection also includes coverage for forgery, impersonation, easements, use limitations, and structural encroachments built by neighbors (except for boundary walls or fences) after the policy date.