

SELLER/ BUYER BEWARE

Protect Your Investment from Escrow Fraud

Since 2014 the real estate industry has experienced a drastic increase in escrow fraud theft. Criminals are getting smarter and more sophisticated, posing as parties to the transaction and using email to divert buyer funds, seller funds, and loan funds.

It is critical that every buyer, seller, real estate agent, lender, and settlement agent take all precautions to safeguard real estate closing funds.

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Actual Escrow Fraud Cases

Often the fraudster uses email addresses and domains identical to those of the actual settlement agent and will even use their company logo.

- Fraudster intercepts buyer's and/or seller's email to their realtor or settlement agent. Fraudster pretends to be the buyer or seller and inserts their wiring instructions to the settlement agent. Funds are wired to the fraudster's account.
- Fraudster impersonates settlement agent or realtor (they even use the names of the actual employees) and emails the buyer instructing them to wire the funds needed for closing to a fraudulent account.
- Fraudster impersonates seller and tells settlement agent they want their sale proceeds to be wired to a fraudulent account.

DOs

- Buyers – before you wire funds, call your settlement agent to verbally confirm their wiring instructions.
- Sellers – before funds are wired to you, call your settlement agent to verbally confirm your wiring instructions.
- Call your settlement agent immediately if you receive an email stating their wiring instructions have changed or they want you to wire funds to a different account.
- Carefully examine email addresses from your real estate agent and settlement agent to ensure they are correct. If an email seems suspicious, notify your real estate or settlement agent immediately.
- Carefully review your personal information on your transaction paperwork to ensure it is correct.
- Communicate or confirm any changes to the transaction with your real estate or settlement agent over the phone or in person.
- Contact your settlement agent or real estate agent if you suspect your email address is being improperly used or if you do not receive funds in a timely fashion.

DON'Ts

- Do not provide information about yourself or your transaction to any unknown or unnecessary parties.
- Do not assume email is safe.
- Do not assume that an email or attachment is safe just because it has the same letterhead as your realtor, attorney, or title company.
- Do not wire your funds or give your wiring instructions to a settlement agent without calling them to verbally confirm your correct account information.

Visit invtitle.com/wire for crucial information about wire fraud and cyber crime.