June 14, 2024

DON'T BE DUPED!

If you are approached by either a seller or a buyer of this type of property, you must first determine if the seller is an established client of any of the professionals in the transaction. The following Underwriting Requirements apply when the party claiming to be the owner is **NOT AN ESTABLISHED CLIENT** of any real estate professional involved in the proposed transaction:

STEP ONE: Do not assume that the transaction is legitimate. Prepare for the opposite.

Impersonators often communicate remotely, are not available to attend an appointment or closing, and offer to sell the property to a purchaser willing to pay cash. However, even simple efforts to verify the seller's identity can prevent fraud from succeeding.

STEP TWO: Use online and other public resources to obtain and establish verifiable facts about the real owner. Public sources include land records, tax records, and court records. Online sites can also provide personal information about a person's age, address, telephone numbers, professional affiliations, and employment.

STEP THREE: Require a copy of a government-issued photo ID for each seller. An ID containing a photo, a signature, a date of birth and an address can help uncover a fraud, even when the ID is a fake. **Ask for additional forms of identification as well.**

STEP FOUR: Compare information. Compare the information you know is true, to any proof or documentation provided by or for the party claiming to be the owner. **This is an essential part of verification.** In one case comparing a fake ID with sources available online helped uncover a fraud because the ID picture was inconsistent with the age of the real owner. In another case online research established that the real owner was no longer alive.

Note any variations in signatures or names, and examine filings or conveyances made within the last 24-36 months. Recent transfers for remarkably low consideration, or new and questionable changes to previous filings in public records, are especially suspect.

STEP FIVE: COMMUNICATE DIRECTLY WITH THE REAL OWNER OF THE PROPERTY

- Using the address where the taxing authority sends the real estate tax bills, send a letter informing the owner that the property is under contract to sell and stress the urgency of responding immediately by phone to confirm whether the sale is authorized. You can include a special code in the letter and request that the owner use this code when contacting your office. If the seller is represented by counsel, require the

seller's attorney to do this. If the seller is not represented, the buyer's attorney can do this directly.

- Using the phone number authenticated through the use of a trustworthy verification service, contact the owner and confirm the legitimacy of the transaction. If you do not utilize such a service, use the process directly above or contact CATIC for assistance.

IF YOU HAVE ANY DOUBT ABOUT WHETHER THE TRANSACTION IS LEGITIMATE – DO NOT PROCEED.

If you are not convinced the seller is the true owner of the property, contact your local CATIC office immediately and ask to speak to an Underwriter. We are here to help make sure you and your client do not become the next fraud victims.