Red Flags and Best Practices

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Given the growing number of agents working remotely and relying on email and text for client communications, it is crucial to verify the identity of potential clients promptly. Your brokerage's verification process must be uniformly applied to all clients without exception. Remaining vigilant and recognizing any questionable behavior from sellers is essential to protect both you and your clients from the increasing risk of seller impersonation fraud.

Watch for Red Flags

Absentee Owners

- Listing property that is non-owner occupied.
- Seller actively avoids any face-to-face or phone conversations, relying on text or email.

Low Priced or All-Cash Deals

- A prospective seller wants to list the property below market value and only wants offers from buyers willing to pay cash.

FSBO or Unknown Seller

- The property wasn't listed with a regular agent, but with a For-Sale-By-Owner website that shares the listing on public platforms.
- No one involved knows the seller or has even talked to the seller until a buyer wants to make an offer.

Rush to Close

- During negotiations with the buyers, the seller readily accepts almost all terms, prioritizing a quick cash transaction.
- They show no objections to proposed fees, cost allocations, commissions, or other terms.

Suspicious Wire Instructions

- The seller provides wiring instructions to a bank that is not near the property or the mailing address for the tax bill.

Refuses to Attend Closing

- The seller might suddenly become unavailable to go to the closing. However, they are still available to sign the documents with a notary, often in a different city or state.

Verification

- Always ask for an in-person or virtual face to face meeting.
- Do not strictly rely on photo identification as they are easily forged.

Check FOREWARN

- When the seller's phone number is reverse searched, it shows as a completely unrelated name or as unknown.

Have questions? Contact Maine Listings Member Care Support at (800) 779-4938 or 780-1366 (local to Portland) or help@mainelistings.com