TITLE TIP *March 2023*

Fraudulent Transactions on the Rise for International and Absentee Owners

Attorneys Title is aware of the increase in fraudulent transactions involving international and absentee owners. This alert will highlight some of the commonalities of these transactions, and hopefully serve as a reminder to be vigilant and skeptical. Below is a list of the hallmarks of which you need to be aware, as well as a few precautionary questions to ask yourself:

- Foreign or absentee owners
  - ✓ Owners who aren't regularly at the property to see for sale signs or other sale-oriented activity make ripe targets.
- Unimproved and vacant land
  - ✓ If the property is improved and occupied, curious renters may call the real owners and alert them to sale activity.
- Free and clear
  - ✓ Encumbered property reduces the fraudsters profit potential and payoff requests may trigger alerts to the real owners.
- A recorded POA or Deed appears on record.
  - ✓ These are recorded either just prior to the listing agreement being executed, or the property goes under contract.
- Seller documents coming back notarized in a country other than where the real owners live.
  - ✓ While closing transactions for sellers traveling internationally isn't always a suspicious activity, be cautious, as this is a consistent fact across the fraudulent transactions.
- Sales proceeds being requested to be wired to a bank that isn't located in the home country of the real owners.
  - ✓ Are the wire proceeds being sent internationally, but the address of the bank is not the home country of the seller?
- Seller contact information being from countries other than their home country.
  - ✓ Compare the contact information for the purported sellers (phone number country and area/region codes), mailing addresses, addresses of banks, etc. with known information for the real owners. Real owners' information can be found on the past few years of property tax records, contacting the embassy of their home country and something as simple as Google, Facebook or LinkedIn.
- Seller unwilling to talk on the phone or only dealing in email and text.
  - ✓ Be especially skeptical if you call a given number, leave a message and the response is not a call back, but an email or text response. Also, are they contacting you during times in which normal people would be awake in the time zone of the home country of the real seller?
- Real estate agent involvement.
  - ✓ Agents may be used in these transactions, but typically do not know the sellers - all communication has been conducted via email and text. Another flag is the real estate agent being used is not based in the area of the property.

Unfortunately, real estate fraud is becoming an increasing and more sophisticated crime. Remain cautious.