

LAWYERS LINK



WIRE FRAUD

The Single Largest Threat to Real Estate Transactions

With one email, a home buyer can be tricked into sending their life savings to a fraudster. Real estate wire fraud continues to be one of the most prevalent cybercrimes in the U.S.

Real estate wire fraud usually involves a fraudster assuming the identity of the title, real estate agent, or closing attorney and forging the person's email and other details about the transaction. The scammers will

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then send an email to the unknowing buyer and provide new wire instructions to the criminal's bank account. Nearly 71% of stolen funds from real estate wire fraud aren't fully recovered, according to a study by the American Land Title Association.

Being prepared and recognizing the warning signs of potential wire fraud could protect you from the worst-case scenario.

TIPS FOR DETECTING WIRE FRAUD

Check email addresses closely

It is common for hackers to pretend to be somebody else and send false instructions to infiltrate your transaction. Consumers need to take their time with every incoming email, text, and phone message to make sure the person they are communicating with is who they claim to be. Confirm the sender's email address is exactly correct. Fraudsters may use an email address that is different by one letter, and at first glance looks identical to the real email address. For example, joesmith@titlecompany.com could come from joesmith@titllecompany.com.

Secure your devices and accounts

Securing your computer, phone, mobile devices, and practicing good email and password hygiene can make you less vulnerable. Use encrypted email, or a transaction management platform to share sensitive information. Check to make sure that your antivirus software and firewalls are active and up-to-date. Don't download apps without verifying that they are legitimate and won't install malware or breach privacy. Security measures such as two-factor authentication can also make it more difficult for hackers to force their way into your account.



Beware of urgent changes or updates to wiring instructions

Changes in wiring instructions are rare. Verify wire instructions in person or through a known, trusted phone number. Keep the phone numbers of your agent, title company, escrow officer, and lender in an easily accessible location. Never send your financial information over unsecured email.

Watch for wording indicating friendship or trust

Look out for words like "friend" or "pal," or words that are overly appreciative or complimentary.

Be suspicious of fear-based language

Look out for language that expresses a negative outcome, such as "concern," "don't," "prevent," or "avoid."

Unknown attachments or links

If you receive a link in an email, hover over it to see the full link. Be particularly skeptical of shortened URLs that try to mask where the pages are going to. Never click on unknown attachments or links.

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Verify all communications

Call the title company immediately after you send any funds via wire transfer to verify it right away. This check-in will give you the confirmation that you sent the funds to the appropriate account and the peace of mind that the transaction wasn't real estate fraud.

Lastly, learn to spot warning signs in a fraudulent email

Here are telltale signs that an email may be fraud:

- Unusual or poor grammar
- Incorrect punctuation
- Odd spacing or capitalization
- Misspellings
- A segment of text is a different font or text size than the rest of the email
- Mistakes in the content

Please contact your Lawyers Title Representative for more resources on wire fraud.



MONTHLY INDUSTRY TERMS

Joint Tenancy

An equal undivided ownership of property by two or more persons. Upon death of any owner, the survivors take the decedent's interest in the property.

Tenancy in Common

An undivided ownership in real estate by two or more persons, without right of survivorship – interests need not be equal.

Personal Property

Any property which is not real property, e.g., money, savings accounts, appliances, cars, boats, etc.

