New England Regional Midweek Update
7/29/2026

Dear Stewart Partners,

We are closing out the month of July, and it has been a busy month. The typical summer volume, a competitive market, and still a relatively low inventory, along with buyer and seller demands to “move the deal forward” and “close in record time” can place high pressures on closing attorneys and settlement agents. This environment is perfect for fraudsters who want to take advantage of these pressures to distract you from possible red flags that might exist in a transaction.

With that in mind, in this week’s Midweek we are reminding our partners of the continued fraud risks in real estate and share a real-life story of notary fraud that is presently happening. Although the fraudulent activity was identified in Massachusetts, this certainly could happen anywhere. We hope you take a moment and refresh your memory on the red flags to possible fraud and share these stories with all members of your team and your real estate partners.

Confirmation Letters and Reducing Seller Impersonation Fraud, by: Jamie Spaulding, Esq., Maine Underwriting Counsel

Seller impersonation fraud remains a significant source of title insurance claims. Fraud warnings dominate most email signatures these days and you probably have one or two unread emails in your inbox right now addressing the issue in some form. While these have become ubiquitous and commonplace within the title industry, the need for caution and extra diligence as a means of prevention persists, especially as schemes evolve and fraudsters find new vulnerabilities to exploit.

While seller impersonation fraud can occur in any real estate transaction, Stewart has identified heightened risk where the property is undeveloped or vacant residential land, unencumbered, or otherwise owned without an outstanding mortgage. These transactions can be attractive targets because there may be fewer routine third-party touchpoints, such as payoff lenders, and the property owner may be remote, absent, or difficult to independently verify. Having set internal procedures in place for these types of very common transactions will help prevent fraudulent schemes from advancing and minimize additional liability as a closing agent.

Please be especially cautious when a transaction involves any of the following red flags:

- Vacant land or property owned free and clear, with no outstanding mortgage.

- A seller who is in a rush to close or appears unusually urgent.
- A seller who communicates only by phone, text, or email and avoids in-person contact.
- A seller address that differs from the address shown in the tax assessor's, property appraiser's, or county records.
- A seller who claims to be outside the United States or otherwise unavailable for a traditional closing.
- A real estate agent or broker who has not personally met the seller and was retained only by email or remote communication.
- Sale documents that are emailed to the seller, returned already executed, or completed without prior discussion with the title company regarding execution or acknowledgment requirements.
- Signatures, identification, passports, or notary acknowledgments that appear inconsistent, altered, suspicious, or otherwise unreliable.
- Wiring instructions that direct proceeds to a third party, to an account inconsistent with the seller's known location, or to a bank in a different country from the seller's address of record.
- Multiple foreign jurisdictions involved in a single transaction, such as the seller being in one country, documents notarized in another, and proceeds wired elsewhere.

Please remember that for transactions involving the sale of undeveloped or vacant residential land, Stewart **requires** additional verification unless otherwise approved by a Stewart Title Guaranty Company underwriter. **Specifically, unless you have personal, prior knowledge of the seller's identity, a confirmation letter MUST be sent to the seller at the address shown in the tax assessor's records** -- not merely the address shown on the contract or provided by email. Furthermore, the transaction should not close, funds should not be disbursed, and a policy should not be issued until confirmation is received from the addressee verifying receipt of the letter and confirming that the transaction is legitimate. You will find a link to a sample confirmation letter below.

Commitments for undeveloped or vacant residential land should also include a requirement for satisfactory verification of the seller's identity. Suggested language is: "The Company requires satisfactory verification of the identity of the seller."

For developed residential property that is not occupied by the seller -- such as a vacant house, vacation home, tenanted property, or other non-owner-occupied property -- as well as cash-out refinancing on real estate owned free and clear of any mortgages, the confirmation letter process is recommended as an additional fraud-prevention measure.

Residential transactions move quickly, so early identification of red flags is critical to avoid delays in the closing process. If a transaction presents any of the above concerns, or if anything about the seller, documents, communication, or disbursement instructions feels inconsistent, pause and contact your Stewart underwriter before proceeding.

For more information on the confirmation letter requirement, please review Bulletin: SLS2024017.

A sample confirmation letter is available HERE.

Refinance Fraud and Mail-Away Closings, by: Jutta R. Deeney, Esq.
New England Regional Underwriting Counsel & Senior Underwriter

Last week, Stewart issued [Special Alert: SA2026159], to advise agents of a fraudulent notary stamp used in at least two counties in Massachusetts. The stamp was of a South Carolina notary, used to acknowledge the supposed signatures of Massachusetts borrowers on a refinance mortgage. Some of you may have received a similar alert from the Hampden County Bar Association.

This alert stems from the discovery that fraudsters have impersonated Massachusetts property owners and successfully obtained cash-out refinance mortgages secured by those properties. . As discussed in the article above, property which is owned free and clear is a target for potential fraud. We highlighted an actual claim where Stewart Title Guaranty Company is pursuing a lawsuit to clear title on behalf of an insured where this type of fraud occurred in our May 13, 2026 Midweek.

It is now clear that this fraud perpetrated upon a Stewart insured was not an isolated incident as the notary stamp was used to notarize at least one other mortgage refinance transaction. In that transaction, thanks to the diligence of staff at the Middlesex Registry of Deeds and when the mortgage was presented for recording, the staff identified discrepancies with the borrower's signature on the mortgage as compared to other previously recorded documents. The signature mismatch prompted the registry personnel to contact the homeowner who confirmed that they had not granted any mortgage on their property. The mortgage was therefore rejected for recording, and the closing attorney avoided disbursing funds to the fraudster.

One reoccurring theme in these fraud attempts is that the borrower is supposedly unavailable to sign documents with the closing attorney as the borrower is out of state. This is a deliberate step taken by the fraudster to limit the closings attorney's control over the execution of documents. Extreme caution should always be taken when documents are not signed in the agent's presence, and it is recommended that signatures should be compared to a previously recorded document. Signature Closers, a Stewart company, can help you maintain control over the signing process, even when borrowers are located outside your market area. For more information about Signature Closers, contact your Account Representative.

Quick Reference Guide for Statutes of Limitation-Maine

Stewart has introduced an updated quick reference guide for statutes of limitations applicable to real estate in Maine. You can access the guide HERE. The guide can also be found on Stewart's Virtual Underwriter website in the Maine State Practices section.

We hope you find these resources helpful, and if you have any questions, please reach out to your Stewart underwriting counsel.

Upcoming Educational Opportunities

2026 Massachusetts Talk Title Webinars – Probate 101: Taking Title out of Probate – Testate Estate, August 12, 2026

Join Jutta Deeney, Esq., Stewart's Regional Underwriting Counsel for New England, and Tracie Kester, Esq., Stewart's Deputy Regional Underwriting Counsel for New England, for the next installment of their Probate 101 webinars. In this installment, Jutta and Tracie will be discussing how to deal with taking title from a decedent's estate in a current transaction when the decedent died with a Will. The webinar will take place from 11 AM to 11:30 AM. To register, click here: Registration link

Commercial Real Estate Pitfalls and Perils: Avoiding Common and Uncommon Title and Escrow Red Flags – August 20, 2026 at 2:00PM

This webinar is presented by Stewart's Commercial Services Group and will focus on commercial real estate red flags, fraud risks, compliance concerns, and strategies for a smoother closing. To register for this webinar, follow this link: CRE Pitfalls and Perils: Avoiding Common and Uncommon Title/Escrow Red Flags

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