

Stewart – Massachusetts Mid-Week Update – September 9, 2020

Dear Stewart Partners,

We hope you all enjoyed a relaxing and fun Labor Day weekend. As many of you may have noticed, Stewart has rolled out new branding and our logo has changed. If you are looking for marketing materials, such as our “What Is Title Insurance?” or Policy Comparison flyers that display Stewart’s new logo along with your firm’s information, reach out to your ASR and they can help with this. These items are great pieces to share with your clients.

In this week’s update we want to share with you two articles which may be of interest. One article talks about the impact on lumber costs and price of new construction. The other discusses flood risk scores for homes and the new forward-looking analysis being developed to better predict flood risk. We also wanted to alert you to two reports relating to fraud. One is a vishing scam and the other relates to fraud in the reverse mortgage market. Lastly, a reminder that we have an upcoming webinar on Probate Perils and Perfecting Title. This webinar will focus on real life examples and provide practical insight on curative measures.

- *As Lumber Prices Spike, the Price of New Construction Rises*

According to an article in Housing Wire, the COVID-19 pandemic has caused lumber prices to increase more than 160%. The increase is attributed to the fact that when the pandemic hit, many homeowners undertook home renovation projects, but lumber mills shut down. The article states that 6,000 jobs in the lumber industry were lost and only a portion of those employees have been hired back as mills have only partially re-opened. The chief economist at the National Association of Home Builders estimates that the increased cost of lumber is adding approximately \$16,000.00 to the cost of new homes. To read the full article, follow this link: <https://www.housingwire.com/articles/spike-in-lumber-prices-boosts-construction-costs/>

- *New Flood-Risk Scores for Homes*

CNBC recently posted an article about new flood scores being developed by First Street Foundation. First Street Foundation is a non-profit research group and it recently launched an interactive website which offers information on flood risk on more than 142 million homes across the country. These scores are not based on the federal flood maps, but rather use historical data along with forward looking predictions based on projected climate data, including sea-level rise. First Street Foundation has partnered with Realtor.com and every home on Realtor.com will carry a flood risk score based on First Street Foundation’s analysis. To read the full article, follow this link: https://www.cnbc.com/2020/08/26/every-us-home-gets-flood-risk-score-and-many-are-at-higher-risk.html?_source=realestate%7Cnews%7C&par=realestate

To view the interactive map, follow this link: <https://firststreet.org/flood-factor/>

- *ALERT - Reverse Mortgage Fraud*

The Department of Housing and Urban Development Office of the Inspector General issued a bulletin warning that because of the economic fallout from the pandemic, more people may consider reverse mortgages and become targets of reverse mortgage-related fraud schemes. The bulletin noted that perpetrators of these schemes will often target older adults through local churches, investment seminars, and television, radio, and mail advertisements. In

some cases, the perpetrator is also a trusted family member or friend. Fraudulent or improper use of Power of Attorneys is another way fraudsters divert funds from the homeowner.

We recommend that any reverse mortgage closing only be conducted in person and steps are taken to confirm that the borrower understands the transaction and hasn't been unduly influenced. If you are closing a transaction and have a concern, please don't hesitate to reach out to one of underwriting team members to discuss the transaction. To read the bulletin issued by the Inspector General, follow this

link: [https://www.hudoig.gov/sites/default/files/2020-08/Fraud%20Bulletin Reverse%20Mortgages.pdf](https://www.hudoig.gov/sites/default/files/2020-08/Fraud%20Bulletin%20Reverse%20Mortgages.pdf)

- *Vishing Scam – Simple, yet Effective*

Vishing is an oldie, but goodie, that everyone should be aware of. Vishing is a phishing attack that is conducted by phone. This is a classic tactic that is typically used to collect your credit card or financial data, along with other personal information. Here's an example: You receive a call from someone claiming to be a customer service representative for a specific retailer. They say your order could not be processed because your credit card was declined. But not to worry! They are happy to help correct the issue. The caller claims that they need your credit card number, expiration date, and code on the back.

While this scheme is simple, it is also surprisingly effective. The bad guys catch victims off-guard with a pressing issue, like a declined payment. The victim is then relieved when the scammers offer an easy and immediate solution. If you don't take the time to stop and think about the situation, you could give away your personal data before you realize what is really happening.

Remember to stop, think, and follow these tips:

- ✓ Don't trust the caller ID. Phone numbers can be spoofed to look like a familiar or safe caller.
- ✓ Never provide personal information over the phone, unless you are the one who initiated the call.
- ✓ If you receive a suspicious phone call, hang up, and use the company's official phone number to call them directly.

- *Stewart Webinars*

- Probate Perils and Perfecting Title on **September 16, 2020 at 10 AM**

To register follow this link:

<https://www.stewart.com/content/dam/stewart/Microsites/massachusetts/pdfs/Webinar-Invitation-Form-updated-August.pdf>

If you missed our most recent webinar **"No Stress Distressed Properties"** or are interested in other webinars we've hosted this year, check out our local Massachusetts Stewart site to view the recordings.

<https://www.stewart.com/content/stewart/stewartcom/en/stg/massachusetts/underwriting-resources/forms-policy-information/covid-19-info-resources.html>

- [Stewart's Massachusetts COVID-19 Resource Page](#)

Please view our resource page which contains all the local information relative to underwriting guidance, affidavits, registry closures and frequently asked questions. This site will be updated regularly. To access click [HERE](#) and make it a favorite on your web-browser. You can also copy the following URL and paste it into your web

browser: <https://www.stewart.com/content/stewart/stewartcom/en/stg/massachusetts/underwriting-resources/forms-policy-information/covid-19-info-resources.html>



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