



Dear Stewart Partners,

We hope that those of you new to our Mid-Week Update are finding the information we provide informative and useful.

In this week's update, we are revisiting the topic of fraud in real estate, which unfortunately is a topic we highlight with some regularity. In this week's update, we are focusing on real estate fraud that targets vacant or non-owner occupied property. Read below for the trends that are surfacing and steps you can take to mitigate the fraud. Additionally, we've included a link to the recent Underwriting Reminder Bulletin issued by the Company on January 26, 2023. Lastly, as a reminder, we have two upcoming Webinars that we invite you to attend. We've recently received approval to offer CLE credit for Maine attorneys for these webinars. If you haven't already signed up, we've included registration links below.



Vacant Property Fraud – A Growing Trend

It is important to be aware of real estate fraud trends and to remain vigilant when handling any real estate closing to avoid being used in the facilitation of a real estate scam. On Monday, Stewart issued Bulletin SLS2023003 alerting agents to the increase of fraudulent land sales. ALTA has also recently issued an advisory on the same topic. This isn't a scam that is isolated to any particular region and real estate everywhere is a potential target.

Although the precise steps of the scam can vary, generally the transaction follows the following pattern:

- The scammer will search the public records to identify real estate that is free of a mortgage or other liens. These often include vacant lots or rental properties. The identity of the landowner is also obtained through this public records search.
- Posing as the property owner, the scammer contacts a realtor to list the property for sale. All communications are through email and digital means, and not in person.
- The listing price of the property is typically below current market value, which generates immediate interest in the property.
- The scammer quickly accepts the offer, with preference for cash sales.
- At the time of closing, the scammer refuses to sign documents in person and instead provides signed documents by mail or other delivery service.

- If the fraud is not detected, the title company or closing attorney transfers the closing proceeds to the scammer.

There are steps that can be taken as part of the closing process due diligence that would help detect and mitigate the potential fraud. When a transaction has red-flags or feels suspect, independent research should be conducted, such as:

- Independently search for the identity and a recent picture of the seller.
- Request an in-person or virtual meeting to see their government issued identification.
- Be on alert with a seller accepting an offer price below market value in exchange for the buyer paying cash and closing quickly.
- Never allow a seller to arrange for the execution of documents with a notary. Use a trusted title company or closing attorney to coordinate the exchange of closing documents and funds.
- Send a confirmation Letter to the seller by regular mail to the address on file with the Town/County tax assessor. Stewart has prepared a form template letter for this purpose. The form template is accessible as a link through Stewart Bulletin SLS2022004: [Stewart Bulletin SLS2022004 Letter Template](#)
- Verify wire instructions from secondary and reliable sources.

Stewart's recently issued bulletin contains a number of red flags to help you identify suspicious transactions. To read the bulletin, follow this link:

[Red Flags for Suspicious Transactions](#)

In addition to the numerous bulletins issued by Stewart, we also have an in-depth section in our Underwriting Manual on forgeries and characteristics that are present in many forgery cases. We encourage you to read this and share it with your colleagues and staff. To view this section of the Underwriting Manual on Virtual Underwriter, following this link: [Forgeries - Underwriting Manual](#)

For additional information please visit the links below:

[Alta Wire Fraud Advisory - Vacant Property Fraud](#)

[CertifiD-Partners with Federal Law Enforcement to Issue Security Advisory On Vacant Property Fraud](#)



Quick Reference – 2023 Reminder Bulletin

Please be sure to check out Stewart's 2023 Reminder Bulletin which was sent via e-mail to all issuing offices. It can also be found by clicking on the following link: [Stewart's 2023 Reminder Bulletin](#)

This Bulletin contains links to numerous topics of current concern for which Stewart has issued bulletins and provided underwriting guidance. We'd specifically like to highlight the following notice regarding Non-Institutional/Hard Money/Private Lender Transactions which was issued to all New England offices:



Upcoming Stewart Webinars on ALTA 2021 Forms

Please join us February 2, 2023 at 10:00 A.M., and again February 9, 2023 at 10:00 A.M. for one-hour live webinars designed to answer all of your questions about the new 2021 ALTA Title Insurance Policy forms. The first webinar will cover the 2021 basic Owner's and enhanced Homeowner's Policy forms. The second webinar will cover the 2021 loan policies.

For the upcoming webinar tomorrow, 1 hour of CLE credit is available in Maine, Vermont, New Hampshire, Rhode Island and Connecticut. There's still time to register if you haven't done so yet.

Topic: 2021 Basic Owner's and Homeowner's Policy Forms – What You Need to Know

Date: Thursday, February 2, 2023

Time: 10:00 a.m.

Register: [Click here to register](#)

Topic: 2021 Basic and Expanded Loan Policy Forms – What You Need to Know

Date: Thursday, February 9, 2023

Time: 10:00 a.m.

Register: [Click here to register](#)



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