



New England Regional Midweek Update  
6/18/2025

Dear Stewart Partners,

As we approach the first day of summer, Stewart is providing information, which is hot off the presses, about Fannie Mae's recent updates to its multifamily mortgage loan program and the effect on title agents. We are also discussing a recent Seller Impersonation Fraud in Vermont that was discovered before closing due to the prudent efforts of the Attorney agent.

For our Connecticut agents, please take note of a recording fee increase happening on July 1, 2025. Details of the increase are below. Lastly, please see the information at the end of this update about an upcoming July webinar about the new transaction reporting requirements which will impact all of our New England agents.

Finally, please note that Stewart offices will be closed on Thursday, June 19, in celebration of the Juneteenth holiday; many State and local recording offices are also closed.



**Fannie Mae's Updated Title and Closing Requirements for Multifamily Mortgage Loans and the Impact on Title Agents** By:  
Katherine F. Fletcher, Connecticut State Counsel and Associate Senior Underwriting Counsel

Fannie Mae has issued an update to its Multifamily Selling and Servicing Guide that modified title, closing and settlement requirements for multifamily mortgages, effective for mortgage loans under application ***on or after May 8, 2025***. The update is part of Fannie Mae's efforts to continue safeguarding Fannie Mae and its Delegated Underwriting and Servicing (DUS) Lenders against fraud and other risks. A DUS Lender is a financial institution approved by Fannie Mae to originate, underwrite and service multifamily loans under the DUS program. It is important to note that not all multifamily loans made by lenders fall under this program.

The revised Title and Closing Requirements for Multifamily Mortgage Loans ([Form 4650](#)) sets forth updated requirements for:

- acceptable title insurers;
  - ordering title commitments;
  - due diligence for the
1. Borrower's organizational documents, and

2. Property's title condition;

- closing and funding Multifamily Mortgage Loans with the Title Company; and
- the issued Title Policy.

**The significant impact on title agents resulting from the updated Form 4650 pertains to funding functions.** All funding functions associated with the DUS multifamily loan product must now be performed by an approved Title Insurance Underwriter unless restricted by applicable law. An approved "Title Insurance Underwriter" is a company approved by Fannie Mae and listed on the Approved Title Insurance Underwriter Schedule that meets the requirements of Section II of Form 4650 and underwrites and issues, or authorizes the issuance of, an ALTA mortgagee's loan policy of title insurance. Please note that Stewart Title Guaranty Company has been designated as an approved Title Insurance Underwriter by Fannie Mae.

As used in [Form 4650](#), "Funding Functions" means:

- collecting premiums, escrows, security deposits, sale and/or loan proceeds, and/or other funds in connection with the closing of the mortgage loan and, if applicable, the acquisition of the subject property;
- preparing the settlement statement for closing;
- disbursing funds in accordance with the settlement statement and the closing instruction letter; and
- preparing and maintaining receipts and disbursements ledgers.

As noted above, Funding Functions must be carried out by the Title Insurance Underwriter unless restricted by applicable law. Specifically, the Title Insurance Underwriter must carry out the funding functions except where:

1. required by statute or court rule to prevent the unauthorized practice of law, the Title Agent may oversee, review, or approve the disbursement process (as more specifically required by the property jurisdiction), so long as the Funding Functions are performed by the Title Insurance Underwriter; or
2. required by statute or court rule in a property jurisdiction where holding the escrows or funding the loan proceeds in a real estate closing is the practice of law, the Funding Functions may be performed by a Title Agent so long as the Funding Functions (including the production of the Settlement Statement) are overseen and approved by the Title Insurance Underwriter.

Please note that these new requirements **do not prohibit Stewart agents** from performing other title services not classified as Funding Functions such as reviewing title searches and commitments, reviewing documents with clients, issuing policies and recording documents.

Stewart is here to support our title agents as they comply with these new procedures related to multifamily escrow and funding for loans in the Fannie Mae Multifamily DUS lending program. For support, please feel free to contact any of the following Stewart contacts:

- your Agency Services Representative or local Stewart Underwriter;
- Stewart's Agency Escrow Services at: 866.932.6097 (or email, [stgescrowservices@stewart.com](mailto:stgescrowservices@stewart.com)); or

- Stewart's Fannie Mae DUS multifamily solutions team at:  
[FanniemultifamilyDUSquestions@stewart.com](mailto:FanniemultifamilyDUSquestions@stewart.com)

Also, Fannie Mae provides a phone number for inquiries which is 800-2FANNIE (800-232-6643) (press 2 for DUS related inquiries).

For on-line viewing of Stewart's recently published bulletin related to this article, please see [SLS2025005](#).



**Seller Impersonation Fraud – A Vermont Case Study** By: Jill Spinelli-Quong, Vermont State Counsel and Associate Senior Underwriting Counsel

In today's fast-moving digital market, fraud is evolving as fast as technology. Criminals are increasingly impersonating legitimate property owners, often of vacant land or mortgage-free properties, using forged IDs, remote closings, and falsified powers of attorney. This type of fraud has become alarmingly common with 54% of U.S. real estate professionals experiencing at least one seller impersonation fraud attempt between April and October 2023, according to a CertifID survey published via Business Wire.

Earlier this year, a scammer attempted to sell a parcel of vacant land in **Underhill, Vermont** by impersonating its rightful owner. They used a local realtor to market the property and went under contract with a legitimate buyer. Fortunately, the transaction was flagged before closing due to the prudent instincts of the closing attorney as well as the deliberate verification steps, and fraud prevention tools used by the attorney to discover the fraud before it was too late. Let's take a closer look at details of the Underhill fraud and the red flags and response by the attorney.

**Red Flags Identified by Attorney:**

- Vacant land with no mortgage.
- Rush closing request and use of a power of attorney (POA).
- Purchase Price was below market value.
- "Seller" wanted proceeds wired to a business account.
- Contact phone number with a California area code, but tax bill listed a Pennsylvania address.
- "Seller" claimed all personal ownership documents were destroyed in a fire.

**Ownership Verification and Fraud Detection Steps taken by Attorney:**

- Attorney requested original deed & purchase documentation of the "seller" though none was provided.
- Attorney sent a Fraud Prevention Letter to the address on the tax bill. It is important to note that [Stewart Title issued Bulletin SLS2022004](#), which includes a template fraud protection letter specifically designed for use in vacant land transactions and other high-risk scenarios. The bulletin outlines red flags, mitigation strategies, and provides a customizable letter that agents can send to the tax bill address of record owners to verify the legitimacy of a pending transaction.

- Attorney engaged CertifiD to verify the seller's identity, the “seller” declined to complete the ID verification, citing technology issues. CertifiD is one of several emerging fraud detection companies that can check an ID & Selfie for accuracy, will check an ID against 150 fraud markers and against government databases.
- Attorney called the listing agent to determine whether she had ever met the “seller” in person – she had not.

After identifying multiple red flags and initiating proper fraud detection protocols, the attempted deception was swiftly uncovered. The real property owners responded immediately to the fraud prevention letter, confirming they were, in fact, victims of a seller impersonation scam. This case is a powerful reminder that early detection, attention to detail, and proactive fraud prevention protocols are critical in safeguarding real estate transactions. The Underhill incident could have ended with a devastating loss, but thanks to vigilance, it became a case study in prevention done right.

### **What If the Flags Are Missed? Why Title Insurance Is Your Best Line of Defense**

Despite best efforts, no system is foolproof, and when fraud slips through, the consequences can be staggering. Forged deeds and fraudulent conveyances not only create legal chaos for true property owners, but they also place closing attorneys and law firms at serious risk of liability.

While Vermont law criminalizes the forgery or presentation of counterfeit deeds under 13 V.S.A. § 1801–1802 and renders fraudulent transfers void under 27 V.S.A. § 542, the burden of restoring clear title falls on the rightful owner, often leading to lawsuits against innocent firms involved in the closing.

Title insurers are frequently the financial backstop when fraud occurs. According to the American Land Title Association (ALTA) and Milliman, a global actuarial firm, title insurance companies:

- Spend **21% of claims expenses on fraud and forgery-related losses**
- Spends an **average seller impersonation claim cost of over \$143,000**

Policy Coverages:

- The **ALTA Standard Owner’s Policy (Covered Risk #1)** protects against title being vested in someone other than your insured
- The **ALTA Homeowner’s Enhanced Policy (Covered Risk #3)** extends coverage for forgery, impersonation, and fraud, even post-closing

By insisting on issuing title insurance for every transaction, especially vacant land, out-of-state sellers, or remote closings, you build a safety net that may offer valuable protection for you and your clients.

To report suspected fraud or to register to receive alerts from the Vermont Attorney General, state agencies, and local government about scams impacting Vermont, complete the [VT-ALERT registration](#) and select "Scam Alert". Alerts can be delivered to your phone by text message, recording, or you can opt to receive emails.



## **News Flash: Connecticut Recording Fees Will Increase Effective July 1, 2025**

Effective July 1, 2025, recording fees in Connecticut will increase from \$60 per page to \$70 for each first page for non-nominee documents, and from \$159 per page to \$160 for each first page for nominee documents. This change is the result of the Connecticut Legislature's recent passing of [HB 7287 Sec. 436-438](#). In both instances, additional pages will remain \$5 per page.



## **Save the Date – Second FinCEN webinar planned for July 21, 2025 at 1PM**

Stewart will be hosting a second webinar on July 21, 2025 for our agents about the new rule. John Crowley, Sr. Regulatory Compliance Counsel for Stewart Title Guaranty, will provide an in-depth examination of the Financial Crimes Enforcement Network (FinCEN) rules aimed at preventing money laundering in residential real estate transactions. Participants will gain critical insights into the origins and regulatory framework of FinCEN, its mission in combating financial crimes, and the responsibilities of financial institutions in addressing suspicious activities. John will also highlight the significant risks posed by money laundering within the residential real estate sector and outline strategies for compliance with the new regulatory requirements.

To register for this webinar, please follow this link: [July 21st FinCEN Registration](#)

CLE credits will be available for Connecticut, New Hampshire, Vermont, Rhode Island and Maine



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