



Dear Stewart Partners,

We are pretty sure mother nature had a message for all of us last week when she delivered that fall-like weather: “Stop complaining about the heat and humidity....or else.” While it was a nice reprieve, we are grateful we still have plenty of summer left. In this week’s Mid-Week Update, we have included more information on vacant land fraud and seller impersonation. While it might seem redundant given our focus on this topic for the past few weeks, it is so important to keep this issue in the forefront, especially given the alleged seller fraud that made recent headlines right here in New England.

In addition to our continued focus on real estate fraud, we are providing some information on escrow agreements, which are particularly common in commercial real estate transactions, as well as a couple of links to timely webinars.



Vacant Land Fraud & Seller Impersonation – Lawsuit filed in Connecticut

You have heard it before and we have pointed out the red flags and the necessary due diligence steps parties should take, but we would like to share this story from Connecticut that drives home the reason we will keep providing you with useful resources you can utilize so this story doesn’t become your nightmare. Many of you may already be aware of this news story that made headlines last week, but here is a short summary.

An owner of vacant land in Fairfield, Connecticut who was a resident of New York, had his land sold to a developer without his knowledge, without his signature on a deed and without his consent. Essentially, the owner of this vacant parcel consisting of approximately 0.45 acres, was the victim of seller impersonation fraud. The facts are still unfolding, a police investigation is pending, and a lawsuit has been filed. According to several news sources, early reports indicate that someone claiming to be the seller presented himself as being out of the country. Specifically, the alleged imposter claimed to be in Johannesburg, South Africa. In order to facilitate the sale, the alleged imposter granted a power of attorney (“POA”) authorizing the agent in the POA to execute legal documents on the seller’s behalf, including a deed of conveyance. As you will learn from reading the many articles on this, the true owner of the land lived in New York and was not in South Africa. He claims to have never signed a POA and further claims he never listed his property for sale. What makes this example different from perhaps the other incidences of vacant land fraud is that in this case, a \$1.5M home has been constructed on the land

before the sale was discovered. The loss here is greater than just voiding this transfer and giving the land back to the rightful owner. Here is a link to just one of the many news reports [Property owner returns to CT, finds \\$1.5M house on his land \(ctinsider.com\)](#).

While it is still too soon to understand the due diligence that was or wasn't performed in this case, here are a few tips that come to mind.

- Compare signatures of previously filed documents to those on the Purchase and Sale Agreement and the POA.
- Inquire with the tax office where tax bills for the parcel are being sent and send a letter to that address.
- Inquire as to whether or not anyone has had face-to face contact with the seller.

For more potential red flags and tips to avoid this kind of fraud, please see our bulletin from last week's [New England Regional Midweek Update 8/2/2023](#).

For even more on this topic, join Stewart tomorrow for a webinar. Here are the details:

Webinar: Breaking Through the Noise: Seller Impersonation Fraud

Date: 8/10/2023

Time: 1:00 PM

Description: The trend is real - our industry has seen a skyrocketing increase in seller impersonation fraud attempts since the start of 2023. That's why we've invited Tyler Adams, CertifID CEO, to share industry insights, recent trends, and practical strategies to counteract this growing form of fraud. You'll learn how to spot the red flags of a fraudster, the different types of identity verification, and how to build the layers of protection necessary in today's environment.

This event is crucial for those seeking to deepen their understanding of seller impersonation fraud.

Please mark your calendars for this informative event.

Register: [Click here to register](#)



Stewart Flyers on Vacant Land Fraud and Seller Impersonation

We received some requests in the past week about the flyers that we have available on this topic, as well as the ALTA flyer we referenced in last week's update. We have attached the pdf version of the available flyers and they can also be accessed by the links below. As a reminder, the flyers from Stewart's marketing storefront can be personalized. For information, please contact your Stewart Account Service Representative.

[Protect Your Customers – Vacant Land Fraud](#)

[Vacant Land Fraud – Red Flags](#)



The Escrow Agreement Advantage

In the world of real estate, escrow agreements play a crucial role in safeguarding the interest of both buyers and sellers during transactions. These agreements serve as a neutral third-party intermediary, holding funds and important documents until all conditions of the sale are met. The usual parties are the seller, the buyer, the lender and the title company (or buyer's or seller's counsel) who often acts as the "escrow agent."

One of the primary functions of an escrow agreement is to bind the parties to certain terms and conditions that must be met to ultimately release funds to the proper recipient(s). For buyers, the agreement offers peace of mind by having an escrow agent hold their earnest money, demonstrating their commitment to the purchase while protecting them from fraudulent sellers. On the other hand, sellers gain confidence that funds are available before transferring ownership, guarding against potential buyer defaults.

There are other reasons why the escrow agent may hold funds in escrow such as for repairs to the real property that cannot be finished by the closing date, an owner has passed away before the closing and his/her estate has not been probated, or ongoing seller litigation or unpaid taxes or utility bills.

The role of the title company (or buyer's or seller's counsel) as escrow agent is to make sure that all terms and conditions are being met in accordance with the escrow agreement. This may include satisfying contingencies, obtaining necessary inspections, and fulfilling financial obligations. The impartial escrow agent ensures both parties fulfill their obligations. The escrow agent will also handle the actual disbursement of all money being held.

Closing a real estate transaction can be a stressful process for both buyers and sellers, however, escrow agreements play an indispensable role by fostering trust, security and compliance for all parties involved, ultimately leading to a successful closing.



Upcoming Webinar – Hosted by the New England Land Title Association (NELTA)

In an effort to reduce the affordability barriers to homeownership, Fannie Mae and Freddie Mac are exploring programs to test unregulated title alternatives—including a reported pilot that would waive title insurance requirements on certain loan purchases as well as expand the use of attorney opinion letters. These approaches present significant risk to

consumers, lenders and the housing finance system. Join Executive Director Mark Bennett and ALTA Senior VP of Government Affairs Chris Morton for a discussion on this topic and how it may affect the title industry. The webinar is hosted by NELTA and is free to all NELTA members. For non-members, the fee is \$20.00. To register, please follow the link below. For additional information, please contact NELTA by email at info@nelta.org or by phone at 614-610-4624.

Topic: The Impact of Unregulated Title Alternatives

Date: August 24, 2023

Time: 1:00 p.m.

Register: [Click here to register](#)



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