



Recognizing Vacant Land Fraud

Red Flags

Wire fraud grabs the headlines these days, with good reason, but there's another form of fraud that's on the rise. It involves someone posing as the seller of vacant lots and nonowner-occupied property and using fraudulent notarizations to execute the seller's closing documents.

Red Flags

Stewart has identified a substantial list of red flags relating to this fraud. However, please note, this list is not all-inclusive. Each transaction may vary. Be sure to conduct your own due diligence in addition to the information provided by Stewart. Also, some items on the list are typical of a sale in general, but as more of them begin to apply to a single transaction, you should begin to thoroughly scrutinize documents and transaction specifics as you review title searches and contracts or interact with the purported owner.

Protect your clients and yourself. Contact your Stewart representative for more information on this issue.



Stewart Title Guaranty Company
Michelle Radie-Coffin, Esq.
NH State Manager & Underwriting
Counsel 165D South River Road
Bedford, New Hampshire 03110
603.316.0369 mobile
michelle.radiecoffin@stewart.com
www.stewart.com

Red flags include:

- ▶ No outstanding mortgages – free and clear property
- ▶ Vacant land
- ▶ Seller in a rush to close
- ▶ Owner is a non-US citizen
- ▶ Sales amount is usually under \$50,000
- ▶ County's Property Appraiser records show the owner's address to be outside of the U.S.
- ▶ Real estate agent never meets with principals and is hired by e-mail
- ▶ Sale documents are e-mailed to seller (no in-person closing or use of RON)
- ▶ Typographical errors and non-matching signatures
- ▶ Passport/ID appears suspect – cut and pasted photos, for example
- ▶ Notary acknowledgments are suspect and may claim to be from U.S. Embassy or an attorney/notary in South Africa or other foreign country
- ▶ Purported owner is not currently located at the owner's address listed in the county's tax records
- ▶ Wiring instructions use banks not located in the owner's country of residence, as shown in county's tax records, and/or list third-party payee/account owner
- ▶ Multiple foreign countries involved for one party (seller in one place, documents notarized in another, wire going to another country, for example)
- ▶ Documents sent to title company already executed without prior inquiry to title company about how they need to be completed and acknowledged

