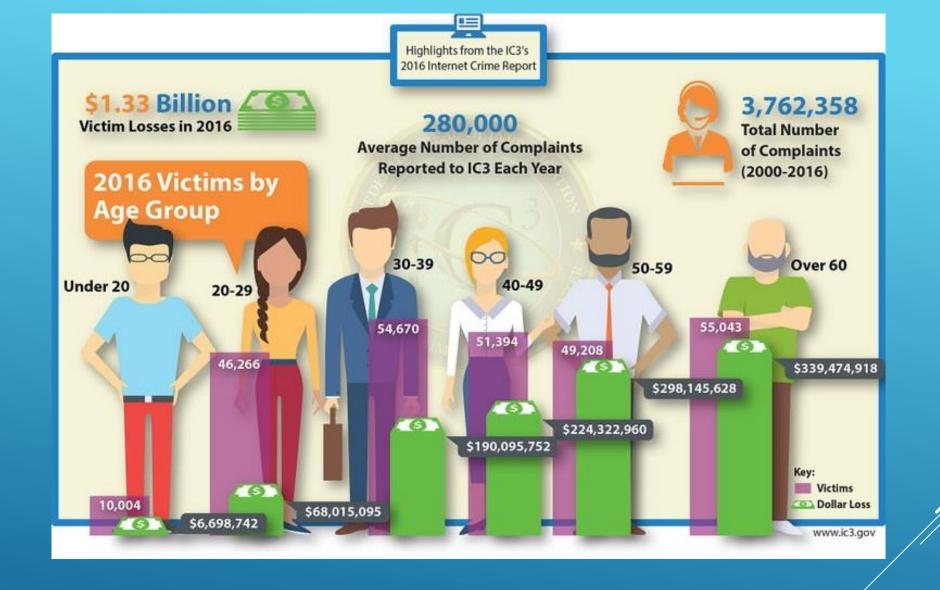
TITLE INSURANCE: PROTECTING YOU AGAINST CYBER CRIME









CYBER THREATS IN THE REAL ESTATE INDUSTRY:

- Phishing emails and wire fraud
- ▶ Identity Theft:
 - > Impersonation
 - > Forgery



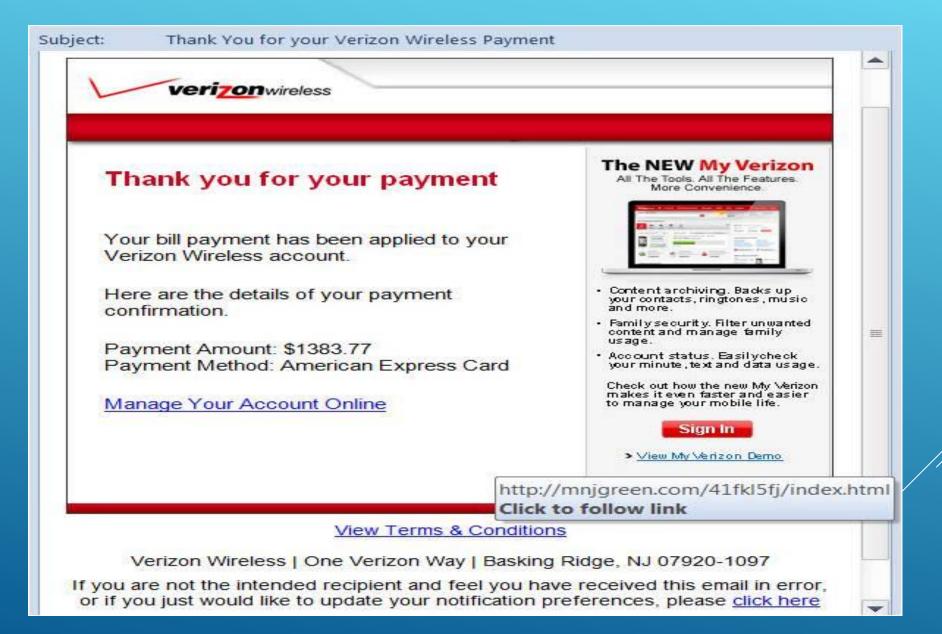


PHISHING EMAILS:





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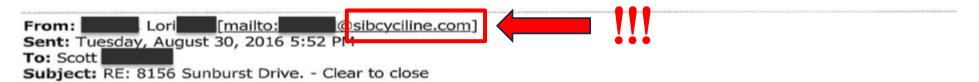


PHISHING EMAILS -> WIRE FRAUD:

If your email becomes compromised due to a phishing attack, this is what can happen next:

On 2016-08-30 14:54, Scott wrote:

I have received your fax. I'll confirm these instructions with Jack McGowan in the morning, and will then initiate the wire. I won't have any sort of wire confirmation to send you.



Seller want a wire transfer, Kindly confirm you receive wiring instructions for sellers proceeds via fax/email. Forward wire confirmation to my email for record purposes.

Thanks,

Lori



- ▶ Wire Fraud
 - Our escrow professionals have received in-depth training with respect to common wire fraud schemes
 - Bottom line: any email, phone call, or other correspondence that purports to provide and/or change wiring instructions should be reviewed with <u>extreme skepticism</u>

> <u>ALWAYS</u> verify any such correspondence either in person or over the phone using contact information that you

know is accurate





- ► Identity Theft: Homeowner's Policy of Title Insurance
 - Protected Risk #3: "Someone else claims to have rights affecting Your Title because of forgery or impersonation."
 - ▶ Protected Risk #7: "Any of Covered Risks 1 through 6 occurring

after the policy date." (emphasis added)

- ► Identity Theft: Expanded Lender's Policy
 - Covered Risk #21: "Forgery after Date of Policy of:
 - "any instrument purporting to subordinate, assign, release or reconvey the Insured Mortgage;"
 - "any instrument purporting to convey or encumber title."



- What about regular policies and identity theft?
 - Protection against forgery or impersonation was <u>unavailable</u> under a regular ALTA owner's or lender's policy

UNTIL NOW!!!



- What about regular policies and identity theft?
 - Protection against forgery or impersonation was <u>unavailable</u> under a regular ALTA owner's or lender's policy

- > Introducing:
 - > Fraud and Forgery Endorsements
 - Available for both owner's and lender's policies
 - Available for both new and pre-existing residential policies
 - ► Available for only <u>\$35</u>



IDENTITY THEFT EXAMPLE #1:

▶ A fraudster forged the homeowner's name on a quitclaim deed to a home. The deed was acknowledged and signed by a notary public based on a false identification and then recorded, effectively transferring the property to the scammer without the knowledge of the true homeowner. The bad actor then obtained a mortgage loan on the home and used the loan proceeds for his own use. The loan payments were not made and the home went into foreclosure. The true homeowner was unaware until they received a notice of foreclosure sale.



IDENTITY THEFT EXAMPLE #2:

A fraudster forged a power of attorney, used a relative's notary stamp illegally, and then recorded the POA. They subsequently deeded themselves the property in order to take out a second mortgage. Interestingly, the fraudster was making the payments as they did not intend to harm anyone. However, the homeowner became aware when they attempted to refinance the home only to find it was not in their name.



►IDENTITY THEFT EXAMPLE #3:

DURING A HOME ROBBERY, A THIEF STOLE THE HOMEOWNER'S ORIGINAL DEED AND THEN USED THE DEED TO CREATE A NEW DEED AND FORGED THE HOMEOWNER'S SIGNATURE. THEY THEN USED THE REAL DEED, A FAKE ID, AND THE FRAUDULENT DEED TO CONVINCE A NOTARY PUBLIC TO NOTARIZE THE DEED WHICH THEY THEN RECORDED. THIS WAS A VACATION PROPERTY AND WHEN THE REAL HOMEOWNERS ARRIVED AT THEIR HOME, THEY FOUND THE LOCKS HAD BEEN CHANGED. THE NEIGHBOR EVEN GREETED THEM THINKING THEY HAD SOLD THE HOME TO THE FRAUDSTERS.

