

TITLE INSURANCE:
PROTECTING YOU
AGAINST CYBER CRIME



Highlights from the IC3's
2016 Internet Crime Report

\$1.33 Billion
Victim Losses in 2016

280,000

Average Number of Complaints
Reported to IC3 Each Year



3,762,358
Total Number
of Complaints
(2000-2016)

2016 Victims by Age Group



CYBER FRAUD? WHAT'S THE BIG DEAL?



CYBER THREATS IN THE REAL ESTATE INDUSTRY:

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




PHISHING EMAILS:



PHISHING EMAILS:

Subject: Thank You for your Verizon Wireless Payment



Thank you for your payment

Your bill payment has been applied to your Verizon Wireless account.


Here are the details of your payment confirmation.

Payment Amount: \$1383.77
Payment Method: American Express Card

[Manage Your Account Online](#)

The NEW My Verizon

All The Tools. All The Features.
More Convenience.



- Content archiving. Backs up your contacts, ringtones, music and more.
- Family security. Filter unwanted content and manage family usage.
- Account status. Easily check your minute, text and data usage.

Check out how the new My Verizon makes it even faster and easier to manage your mobile life.

[Sign In](#)

[View My Verizon Demo](#)

<http://mnjgreen.com/41fk15fj/index.html>
Click to follow link

[View Terms & Conditions](#)

Verizon Wireless | One Verizon Way | Basking Ridge, NJ 07920-1097

If you are not the intended recipient and feel you have received this email in error, or if you just would like to update your notification preferences, please [click here](#)



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.

From: [REDACTED] Lori [REDACTED] [mailto:[REDACTED]@sibcyciline.com]
Sent: Tuesday, August 30, 2016 5:52 PM
To: Scott [REDACTED]
Subject: RE: 8156 Sunburst Drive. - Clear to close



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



HOW DOES TITLE INSURANCE PROTECT YOU?

▶ 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 **extreme skepticism**
- ▶ **ALWAYS** verify any such correspondence either in person or over the phone using contact information that you **know** is accurate



HOW DOES TITLE INSURANCE PROTECT YOU?

- ▶ 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."



HOW DOES TITLE INSURANCE PROTECT YOU?

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

UNTIL NOW!!!



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- ▶ 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 **\$35**



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 CONVINCING 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.

