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## UNDERWRITING BULLETIN

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### More fraud variations.

In the previous bulletin, deeds from beneficiaries that acquired by foreclosure were discussed.

There are two new related situations which have now surfaced.

1. A Trustee's deed recorded in favor of a third party bidder. The only problem is that the sale was never held and the trustee did not execute the deed. A very alert agent noticed subtle irregularities in the deed and called the (nationally active) trustee to verify. They verified all right. They verified that the sale had not been held and the deed is a forgery.

This means that a trustee's deed into a third party bidder can no longer be automatically assumed to be a good transfer. Such a deed should not be used to vest title in your Title Report. Show the effect of the deed in Schedule B and call for some form of proof that the deed is valid. It's hard to imagine any form of proof that doesn't involve the foreclosing trustee. Be cautious if the foreclosing trustee is an unknown entity. Most foreclosures are being handled by the national arms of major title insurers. Consider inspecting the property for possession. If the foreclosed out owner is still in possession, do not insure.

2. A local title company, not underwritten by TransUnion, had objected to a deed from a beneficiary. Very much in the pattern of the deeds discussed in the previous bulletin, with the exception that the grantee in this case is an individual. That individual responded with a copy of a title insurance policy insuring his ownership, prepared on a TransUnion form. There were significant errors in the policy, so that Title Company contacted this office to determine the validity of the policy. Needless to say, the policy is a forgery, and actually not a very good one. If you are presented with a title policy as "proof" in any of these scenarios, you must verify its validity by contacting either the issuing agent or the underwriter.

**Intentional disregard of the matters contained in this Bulletin may cause any loss sustained under the terms of a policy to be allocated entirely to the Agent.**