



### UNDERWRITING BULLETIN

**To:** All Florida Agents of WFG National Title Insurance Company

**From:** WFG Florida Underwriting Department

**Date:** December 3, 2013

**Bulletin No.:** FL 2013-15

**Re:** Deeds For Minimum Doc Stamps

This Bulletin discusses certain facts which may indicate that a deed is a forgery and that further inquiry is warranted. While fraud schemes vary, and continue to evolve, there are common factors that you need to be aware of in order to recognize when a fraud is potentially being perpetrated. The two common factors present in most fraud schemes are: (1) a quitclaim deed for minimum doc stamps; and (2) that deed is recorded within one year of the current closing. Criminals are creative so they do not always use quitclaim deeds and sometimes they pay more than minimum doc stamps.

In addition to the above two factors, one or more of the following may be present in a fraud scheme:

1. The deed does not appear to be pursuant to an insured transaction.
2. The seller is pressuring the agent to close as soon as possible.
3. The seller prohibits the agent from contacting the grantor in the deed.
4. The deed is handwritten or partially handwritten.
5. The deed contains an erroneous legal description or an incomplete legal description.
6. The only address available for the seller is a P.O. Box, an email address, or an address in a foreign country.
7. The deed is executed in a foreign country but not at the US Embassy or Consulate.
8. Funds are to be wire transferred to an overseas account.
9. No-one in your office, nor the Realtors have personally met one of the parties.
10. All communication is by e-mail, fax, or phone.
11. The property is a vacant lot or unimproved property.
12. The last owner (before the suspect deed) lives out of state or in another country.

Some of the fraud schemes that we have seen over the years are as follows:

- (1) A co-owner forged a deed from the other co-owner to himself and attempted to sell the property. Over the objections of the seller, the agent called the co-owner/grantor and discovered that the deed was a forgery.
- (2) A person renting property forged a "warranty" deed to herself and obtained a mortgage on the property which mortgage was insured. In that scheme, the criminal actually forged a second "warranty" deed to herself because the agent closing the transaction noticed that the first forged

deed did not have marital status and required a new deed. The forger brought the second unrecorded forged warranty deed to the closing.

(3) Unrelated owners of several different lots lived out of state. The criminal forged deeds to himself, paid the taxes on the lots, advertised the lots for sale, and sold those lots.

(4) The criminal posing as the true owner, who resided in a foreign country, forged the signature of the true owner on a contract to sell the property, and then forged a deed for the closing. The deed was supposedly executed in different foreign country than where the true owner resided, and it was not signed at the US Embassy. Upon contacting the true owner, the deed was determined to be a forgery.

The fraud schemes vary but they almost always involve the first two factors and one or more of the factors from the second group. If a deed with minimum doc stamps is recorded within one year of the current closing and if it does not fit into one of the exceptions listed below or another reasonable exception, you should require that a new deed to be executed at your office or before a notary public coordinated by you.

Some of the exceptions to the above where a new deed would not be required are as follows: (1) the grantor on the quitclaim deed is also a grantee so that he along with the other grantee(s) will be executing a deed at the closing; (2) a divorce situation where one spouse is awarded the property in a divorce decree which you have examined and receives a quitclaim deed consistent with that decree; (3) individuals convey with a quitclaim deed to their wholly owned company or trust; and (4) a company conveys with a quitclaim deed to its owners. There are other situations where a quitclaim deed with minimum doc stamps might not be part of a fraudulent scheme. To be sure, please discuss with Underwriting.

Be alert to the above factors. If you see them, investigate, obtain facts, and call Underwriting to discuss.

**NOTE: This Bulletin should not be interpreted as reflecting negatively upon the character of an individual or entity and is for the sole purpose of establishing underwriting positions reflecting WFG National Title Insurance Company's best business judgment. The information contained in this Bulletin is intended solely for the use of employees of WFG National Title Insurance Company and its agents. Disclosures to any party not described above are prohibited unless approved in writing by the WFG National Title Insurance Company's Underwriting Department.**



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