



To: All WFG Policy issuing agents; All WFG Title Examiners and Officers
From: WFG Underwriting Department
Date: December 15, 2020
Bulletin No.: NB 2020-16
Subject: Phony Title Company Check Fraud is Back – Positive Pay & ACH Safeguards

Some frauds never go out of style.

Recently, one of our agents reported that some evil-doer had created phony title company trust account checks and distributed them in a fraud. Our agent was lucky. They had since changed banks, and the account number being used was no longer active. As a title agent, a lot of other people's money passes through our trust accounts. Even though you can eventually recover funds debited based on a forged check, it can be a lot of work to prove it up – and in the meantime, your trust account is out of balance.

Since this fraud may be coming back, this was a good reminder of the importance of having "Positive Pay" set up on all your trust accounts (and preferably all of your accounts), and to place blocks on ACH transfers out of your main trust accounts.

These are low-cost protections. If you don't have "Positive Pay" and ACH blocks in place, talk to your banker.

Information Bulletins are designed to provide our agents with information we think will help in managing their business or just being better title professionals, but which does not rise to the level of being an underwriting mandate and are not within the scope of the agency agreement.