

WFG Underwriting Bulletin



NATIONAL UNDERWRITING BULLETIN

To: All Policy Issuing Agents of WFG National Title Insurance Company
From: WFG Underwriting Department
Date: February 7, 2023
Bulletin No.: NB 2023-01
Subject: Fraud Prevention

Unfortunately, at a difficult time in the current real estate market, fraudulent transactions are on the rise. We've seen an increase in alerts of potential fraud from agents across the country.

Here, are a few recent fraudulent sale scenarios that WFG agents have encountered and have halted:

In one case, agent became concerned that Seller was not the true owner of the property based on several red flags, including: (1) Buyer was in another country with an earnest money deposit held up by OFAC; (2) Buyer wanted to send proceeds in a non-traditional way via Bitcoin, Whatsapp, or Zelle and provided a wire not associated with any party to closing; (3) Seller ID appeared electronically altered with different signature and standard details were either missing or out of order; and (4), When agent halted the sale, Buyer did not contest, which led agent to believe it may have been an overall scheme by both Buyer and Seller to complete a fraudulent transaction.

In another case, a few of our agents ran into the same foreign Buyer trying to purchase properties in multiple states via multi-million dollar cash FSBO contracts. When it came time to make contact with Seller, Buyer was elusive and provided incorrect information on Seller.

Now is the perfect time to make sure you ramp up your awareness and evaluate your business practices to best spot potential fraudulent transactions. Take this time to re-review your state underwriting bulletins with cautionary fraud alerts and our national bulletins, which speak to several topics concerning fraudulent schemes. Note, national bulletins we already have on topic are as follows and can be found via the direct links below or generally, at <https://wfgunderwriting.com/national/bulletins>:

-Forgery and Fraud Prevention: [National - 03072013](#)

-Institutional Assignment Fraud: [NAT 12-0313](#)

-Fraud: [National 2015-01](#)

NOTE: The information contained in this Bulletin is intended solely for the use of employees of WFG National Title Insurance Company, its title insurance agents and approved attorneys. Disclosure to any other person is expressly prohibited unless approved in writing by the WFG National Title Insurance Company's Underwriting Department.

The Agent may be held responsible for any loss sustained as a result of the failure to follow the standards set forth above.

- Fraudulent Satisfactions: [NB 2015-10](#)
- Cyber Fraud: [National - 08202012](#) and [National - 2014-04](#)
- Smart Phone Fraud: [National - 09092011](#)
- Fraudulent Cashier's Checks: [NB 2019-04](#)
- Phony Title Company Check Fraud: [NB 2020-16](#)
- Wire Scams: [NB 2021-03](#)
- Hard Money Lenders, Large Cash-Out Mortgages: [NB-2022-03](#)

Please feel free to contact Underwriting if you are confronted with any fraud related issue.

NOTE: The information contained in this Bulletin is intended solely for the use of employees of WFG National Title Insurance Company, its title insurance agents and approved attorneys. Disclosure to any other person is expressly prohibited unless approved in writing by the WFG National Title Insurance Company's Underwriting Department.

The Agent may be held responsible for any loss sustained as a result of the failure to follow the standards set forth above.