



NATIONAL UNDERWRITING BULLETIN

FROM: Underwriting Department

DATE: April 28, 2014

TO: All Policy Issuing Agents of WFG National Title Insurance Company

BULLETIN No.: NATIONAL – 2014-04

SUBJECT: Cyber - Fraud

The April 24, 2014 on line edition of "Title News", published by the American Land Title Association, includes the following item:

"Title agents should be aware of a new email fraud scheme where hackers are targeting consumers and stealing earnest money for upcoming transactions.

According to underwriter alerts to agents, borrowers have received emails allegedly from a title agency providing wire information to transmit earnest money for the transaction.

In this scheme, the fraudsters intercept emails from title agencies providing wire transfer information for borrowers to transmit earnest money for an upcoming transaction. The scammers then alter the title company's bank account information with their own. The unsuspecting borrower wires their down payment directly to the fraudsters. The emails appear to be genuine and contain the title agency's email information and/or logos and branding. This scam is similar to the email hacking scheme perpetrated against real estate agents earlier this year.

In these scams, the hackers monitor email traffic of the title agency or customer and gain knowledge of the timing of the upcoming transaction. While these scams target earnest money, an altered email could conceivably be used to cause misdirection of funds by any party in the transaction, including the title agent themselves.

The attacks illustrate the importance of using encrypted email to send private information, including account numbers."

Aside from the specifics of this particular scheme, it illustrates the ongoing dangers of cyber fraud and the imagination of those who want to take advantage of participants in the closing process. All of us need to be hyper-vigilant for all threats to the process.

None of us know what the next threat will be, but we can help each other by communicating any other schemes we encounter whether personally, through local media, or otherwise. If you hear of new scams, please contact your WFG underwriter and we will try to make others aware of the issue.

To paraphrase the old Smokey Bear public service announcement, "Only you can prevent cyber fraud".

NOTE: This Bulletin is intended for use by title issuing offices, title insurance agents and approved attorneys of WFG National Title Insurance Company and any reliance by any other person or entity is unauthorized. This bulletin is intended solely for the purpose of underwriting policies of WFG National Title Insurance Company.