

WFG Underwriting Bulletin



To: All New Mexico Policy Issuing Agents of WFG National Title Insurance Company
From: WFG Underwriting Department
Date: July 26, 2023
Bulletin No.: NM 2023-03
Subject: Fraud Alert - Fraudulent Purchase Transactions (Bogus Canadian Purchasers)

The New Mexico Office of Superintendent of Insurance (“OSI”) has received information that there are persons purportedly from Canada who are attempting to submit purchase agreements and earnest money funds to Agents in the State of New Mexico with knowledge that the funds will not be honored. It is also OSI’s understanding that these persons are then requesting a return of the earnest money funds, which may result in a loss to the Agent.

Please be mindful of this possible scam, and, as always, contemplate a return of earnest money funds:

1. Only after securing the signatures of all parties to the subject transaction (i.e., both Seller(s) and Purchaser(s)) (a) terminating the purchase agreement / subject transaction, and (b) specifically instructing you, as the Agent, as to the distribution of said funds; and,
2. Only after verifying the fact that you have “**Funds Subject to Immediate Withdrawal**” as defined by Subsection F of Section 59A-30-3 of the New Mexico Title Insurance Law (Sec. 59A-30-3 (F), N.M.S.A., 1978) and Subsection (N) of 13.14.1.7 of the New Mexico Title Insurance Regulations (13.14.1.7 (N), NMAC). In other words, do not even consider the return of earnest money funds unless you, as the Agent, feel absolutely confident that the subject funds are in your account. Please do not allow yourself to be rushed. Please allow yourself extra time, if needed, to verify the fact that the subject funds have actually been collected by your financial institution.

Finally, if the subject earnest money funds have been tendered to you in the form of a check, any return of said earnest money funds should be by check only.

Should you have any questions or concerns with any transaction that may suggest fraud, please contact Christopher Cullen, New Mexico Underwriting Counsel, at either (505) 988-7114 or NMLegal@wfgtitle.com.

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.