

# Real Estate & Mortgage Fraud

## Top 10 Red Flags



Today, mortgage and real estate fraud is more common than ever. Recognizing the possible fraudulent methods, and the red flags associated with them, may help with detection and prevention.

Here are the **Top 10** Flags to watch for (as of June 2021):

- 1** Majority of the closing funds are being directed to parties other than the registered title holders or prior registered encumbrancers OR funds being wired overseas
- 2** Client is new to you/your organization, there is an inability to connect with the client consistently and/or the client doesn't want to participate in a video call or face-to-face meeting
- 3** Short term mortgage - 1 year or less, with no regular payments required
- 4** Property is currently mortgage free
- 5** Property has been owned for many years by the same person
- 6** There is pressure to close quickly
- 7** Client willing to accept a high interest rate mortgage, using proceeds for "investments"
- 8** Property is vacant or tenanted
- 9** Search reveals unusual title activity - including frequent mortgaging
- 10** There are family members that appear to be putting pressure to obtain the mortgage

Stewart Title is here to assist you.

Contact our Underwriting Team if you have any suspicions about a transaction.

**888.667.5151 | [Underwriting.Canada@stewart.com](mailto:Underwriting.Canada@stewart.com)**

This brochure is intended to provide information that is of a general nature and is not intended as legal advice or to replace each law firm's/notary's individual responsibility to ensure that adequate practices and procedures are in place to protect against real estate fraud.

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