

## Risk Tip: Potential Fraudulent Sellers

We have all noticed an increase in real estate fraud associated with free and clear vacant land (and even vacant homes). People are posing as "owners" of the property and contacting real estate agents in hopes of them listing their property... usually pushing for a quick cash sale for under market price.

Scenario: You, the real estate agent, receive an unsolicited call from a "Seller" who wants to sell a piece of land that is in Tucson, but the Seller tells you they currently live in another state or country. The person with whom you are speaking to has all the correct information regarding the property and gives their name as the owner. You conduct some research and the information the caller provided seems to check out, so you go ahead and list the property. Since the Seller tells you they are out of town, they give you their email address to send the listing paperwork for their electronic signatures. You comply and the listing paperwork is executed electronically.

**All may sound somewhat typical thus far... but here are some RED flags to look out for:**

- Out of State Seller with motivation to list and move it fast
- The Seller is difficult to get ahold of and maybe has a bounce back email
- Change of Seller's contact information (email or phone) during the transaction
- Seller will not use Title Company's notary but prefers to use their own and is uncooperative with Escrow Agent

### **Risk Reduction Measures:**

- Conduct the research to verify the owner of the property, prior to the listing agreement.
- Send a letter confirming the listing request to the owner of record.
- Request a copy of a property bill or other document that confirms the seller's ownership in the property
- Ask the seller questions maybe not easily known... what year the parcel was purchased, what purchase price was
- Never allow a seller to arrange their own notary
- Try to set up an in-person meeting with the seller to see a copy of the "Seller's" driver license or gov-issued ID to verify their identity especially if you are dealing with an absentee Seller and have only communicated via phone, email, and electronic signature.
- If the seller is listed as an LLC or Corporation, check the corporation records online to find the name and address of the manager, registered agent and officers.
- Used your trusted Title Company or closing attorney for the exchange of closing documents and funds

**Trust your instincts! If you have doubts about who the Seller really is and their ownership the property, be sure and contact your Broker for additional assistance.**

*This tip is not legal advice. It should not be a substitute for advice from professional counsel or the assistance provided by an agent's Designated Broker.*