



Fighting Back Against Fraud

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TREB PRESIDENT'S COLUMN AS IT APPEARS IN THE TORONTO SUN

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In recent months the provincial government has taken steps to safeguard access to the land registry system, thereby protecting homeowners from real estate fraud.

Real estate fraud can refer to many different types of scams however; understanding the basics of this type of crime can help you protect yourself from it as well.

One of the most common types of real estate fraud is mortgage fraud, which primarily affects financial institutions. It involves criminals acquiring property and artificially increasing its value through a series of subsequent transactions between the criminal and his cohorts. A mortgage is then obtained based on the property's artificially inflated price. Once the funds are advanced, the criminal disappears, leaving the loan in default.

Another form is title fraud, which affects the individual homeowners. In this case, a criminal, using false identification, transfers a registered owner's title to himself without the registered owner's knowledge. The criminal then obtains a mortgage on the property. Again, once the funds are advanced and the loan is left in default however; in this case the rightful owner is also left with a legal mess to untangle.

Fortunately, the Land Titles Act has been amended so that ownership of a property cannot be lost as a result of the registration of a falsified mortgage, fraudulent sale or a counterfeit power of attorney.

To protect yourself from any type of fraud, ensure that no one without your permission has access to your personal identification. Keep key personal information, such as bank records, Social Insurance Number, birth certificate stored in a secure place. As well, never reply to unsolicited emails, especially those that request private information.

If you're planning on renting your property, check tenants' references thoroughly and visit the property often.

You can also protect yourself by being alert to unusual circumstances, such as receiving bills mailed to your home, but addressed to a different individual. Receiving telephone calls from lenders regarding mortgages you didn't obtain or purchases you didn't make is also a red flag. Make a habit as well, of checking credit card statements to verify all of your purchases.

Our province is the first jurisdiction in the world to provide electronic land registration. To safeguard this system, the government recently implemented a stringent approval process, required of those who submit documents to the land registry.

If you think you have been a victim of real estate fraud, it's important to act quickly. Report your concerns to your lawyer, to police and to your local land registry office. You should also contact your financial institution and Canada's credit-reporting agencies, Equifax Canada and TransUnion Canada.

Talk to your legal counsel about the Land Titles Assurance Fund (LTAF), which was created to compensate people for certain financial losses due to real estate fraud.

For more information about Land Registration visit the Service Ontario website at www.gov.on.ca

Maureen O'Neill is President of the Toronto Real Estate Board, a professional association that represents 28,000 REALTORS® in the Greater Toronto Area.