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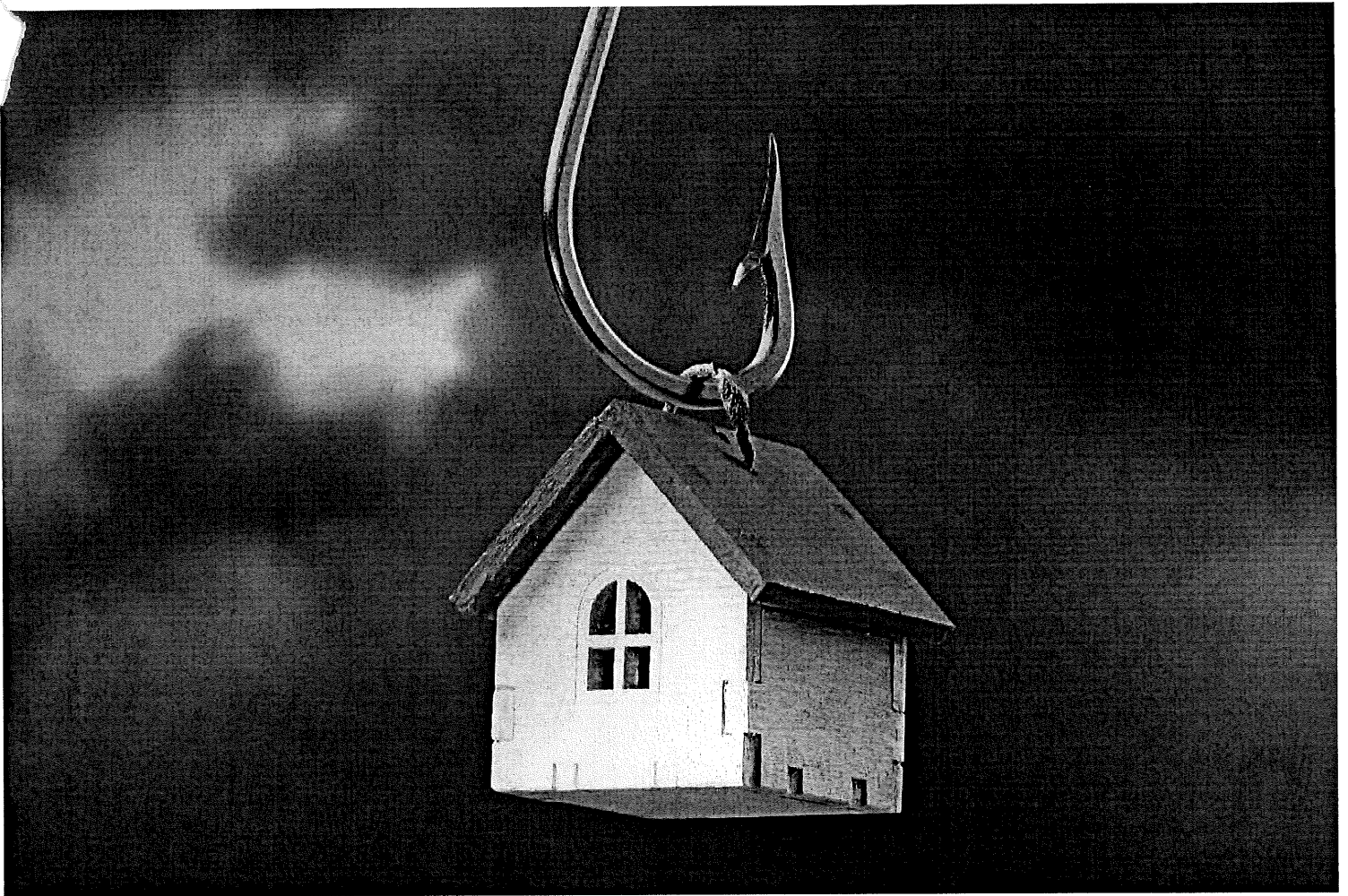
COMMENTARY · HOUSING

With fewer sellers on the housing market, more scammers are impersonating them

BY [DIANE TOMB](#)

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Seller impersonation fraud is on the rise across the U.S.

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Across the country, Americans are still dealing with the trickle-down effects the pandemic left in its wake—and real estate is no exception. Prospective homebuyers face low inventory and bidding wars continue to be commonplace. With stiff competition, it can be tempting for homebuyers to take shortcuts in the homebuying process. However, moving too fast in purchasing real estate can increase exposure to unforeseen risks. A relatively new scam, seller impersonation fraud, is rising across the nation. Buyers must be aware of its telltale signs.

Seller impersonation fraud is a scam in which bad actors impersonate property owners and try to sell homes or vacant land they do not own. Those who fall victim to these scams could potentially lose their hard-earned down payments if the criminals are not caught in the act.

From Las Vegas, Nevada to Fairfield, Connecticut, the scam is beginning to make headlines across the country. Earlier this year, the Secret Service issued an advisory warning consumers of this sharp increase in seller impersonation fraud. The dramatic rise in cases

has been noticed by real estate professionals as well, with 73% of real estate firms reporting an increase in these schemes since the beginning of the year.

Now more than ever, consumers need to be aware of these predatory scammers and how to best protect themselves. The real estate industry must also play a key role in educating both homebuyers and homeowners about the need to remain vigilant.

To avoid being a victim of seller impersonation fraud, it is crucial to understand how the scam works. First, scammers use public records to identify properties free of mortgages or other liens, often vacant lots or rental properties. The public records also identify the current landowner. Scammers then use the information they found to pose as the property owners and contact a real estate agent to list the property. The scammers never meet with the agent in person, instead communicating solely through email or other electronic means.



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The property is then listed for below market value, a tactic to spark immediate interest. When potential buyers make an offer, the scammer quickly accepts, and the imposter makes it clear that all-cash deals are preferred. The scammer then attempts to have the funds sent directly to them.

The most important thing a prospective buyer can do to protect themselves is to purchase a homeowner's policy of title insurance, which often includes additional fraud protection. Title professionals have several tools and skills at their disposal to help verify a seller's identity, thus protecting the buyer from falling victim to seller impersonation fraud.

Additionally, while it may be tempting in a tight housing market to bypass important steps in the home-buying process such as touring the property in person, buying a house sight unseen leaves buyers vulnerable to seller impersonators. Only the real property owner can offer access to the home—a testament to the legitimacy of their homeownership.

It is important to note that homebuyers are not the only ones susceptible to seller impersonation fraud. Current property owners are also at risk, as they are the ones scammers are looking to impersonate. Homeowners can best protect their property by signing up for free property monitoring services, often offered by their county recorder's office, so they can be alerted of any suspected fraud in advance.

If you or someone you know believes they may be a victim of seller impersonation fraud, it may not be too late. Contact local law enforcement and file a fraud report immediately with local and state law enforcement and the FBI at [IC3.gov](https://www.ic3.gov).

Education on this issue is key. That is why the title industry is committed to spreading awareness about the warning signs of this type of fraud and how consumers can protect themselves.

In today's real estate market, it can be easy to bypass critical steps in the home-buying process. However, doing so could result in large unintended consequences. Seller impersonation fraud poses a serious threat to homeownership, and together, we must continue to spotlight this scam—and put an end to it once and for all.

Diane Tomb is the CEO of the American Land Title Association.

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