

HOW TO AVOID CYBER FRAUD

Steps to protect yourself from this scheme



Cybercriminals continue to create new ways to fraudulently obtain funds from settlement agent escrow accounts. The settlement industry is currently seeing a number of real estate brokers' email accounts being hacked. Cybercriminals are sending email messages out of the real estate broker's account, with all of their normal links, logos, and contact information. It does not look like the email is being generated by anyone other than the real estate broker.

There is no single solution for cyber threats and not all methods are foolproof. A sound structure of protection may be enough to deter cybercriminals who prey on poorly guarded target accounts.

THE FOLLOWING ARE STEPS YOU CAN TAKE TO AVOID FALLING VICTIM TO THIS SCHEME:

1. Do not use a consumer email account such as Gmail, Hotmail, Yahoo, etc. to transact your real estate business. These email platforms lack the additional IT firewalls and monitoring systems with up-to-date malware and virus protections that your brokerage email system should be employing. If your brokerage does not employ a robust IT security apparatus, it should begin immediately because these threats are only increasing with sophistication and frequency.
2. Never open a link in an email that you are suspicious of or uncertain of its origin. Many hackers are experienced in creating emails to be perceived as official. They contain valid email addresses, official logos and contact

information. For the hacker to gain access, they place links within these emails to pose as bait. Once you click on the link the hacker is in.

3. Advise and warn your clients at the outset of the transaction of this potential threat and establish protocols for verifying any change to the real estate transaction, especially any change to the delivery of funds. When the time arrives for your client to wire funds to the title company, strongly advise your client to call the Escrow Officer to confirm the wire instructions over the phone. The client should use the phone number shown on the title commitment.
4. Consider having your clients deliver instructions concerning funds through hard copy only.
5. Insist on a verbal verification by the settlement agent for any unexpected or expected change to the real estate transaction involving funds.
6. If you or your client receive a suspicious looking email involving wire instructions, do not reply and call the title company to verify.

QUESTIONS?

Contact your account manager!