

SCAMS & FRAUD

# Scammers Who Commit Title Fraud Steal Your Identity – Then Your Home

Criminals can use public information to victimize both buyers and owners in this real estate scam

By Matt Alderton, AARP | 2 Comments  
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PHOTO COLLAGE: AARP (SOURCE: SHUTTERSTOCK; GETTY IMAGES)



Since his untimely death from a heart attack in 1977, [Elvis Presley's](#) adoring fans have been flocking to his home to pay their respects. This spring, however, Presley's mansion in Memphis, Tennessee, attracted an entirely different kind of admirer: Naussany Investments & Private Lending (NIPL), a dubious investment firm that tried to sell the King's Graceland estate after purporting to have acquired the deed from his late daughter, Lisa Marie Presley. According to a lawsuit filed by actor Riley Keough, who is Elvis's granddaughter and Graceland's trustee, NIPL claimed to have granted a \$3.8 million loan to Lisa Marie Presley in 2015, at which time she offered the deed to Graceland as collateral. When the company advertised the home's sale at a foreclosure auction in May, Keough asked a county court to block it on grounds that neither NIPL nor its documents were legitimate.

"The purported note and deed of trust are products of fraud and those individuals who were involved in the creation of such documents are believed to be guilty of the crime of forgery," states Keough's lawsuit, which was swiftly resolved when the notary listed on NIPL's documents denied notarizing them, causing a judge to halt Graceland's sale. Soon after, several media outlets reported receiving unverified emails from an individual claiming to be associated with NIPL in which he promised to drop his interest in the property.



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When it reported on the incident, *Vanity Fair* called it "confusing" and "strange." Both CNN and *The New York Times* called it "bizarre." But real estate professional Tom Cronkright wasn't surprised. Although the Graceland campaign was unusual and, ultimately, fruitless, scams just like it — collectively known as home title theft or home title fraud — are increasingly common and often successful, he suggests.

"Title theft is ... the perfect [real estate crime](#)," says Cronkright, CEO of CertifID, a wire fraud prevention firm, and Sun Title, a residential and commercial title company in Grand Rapids, Mich. Unlike other forms of identity theft that require access to victims' online accounts, Cronkright notes, "everything that the fraudster would need to [perpetrate title theft] is publicly available."

It's not a commonly reported crime, but can be a mess to untangle if you are targeted.

### How home title theft works

Real estate fraud (of which home title fraud is a part) can be devastating. The Federal Bureau of Investigation (FBI) says Americans reported losses of over \$145 million from real estate-related fraud in 2023.

"Fraud and theft are, unfortunately, pretty common crimes. And what we've been seeing over the last couple of years is an uptick in seller impersonation fraud where an individual will ... essentially create a persona that they are the owner of a property," says Deanne Rymarowicz, senior counsel at the National Association of Realtors. "They will dupe a real estate professional into listing the property and, in some instances, successfully sell the property to an unsuspecting buyer even though they're not the actual, legitimate owner of the property."

Impersonating property owners is easy with public records and personally identifiable information acquired from hackers. "All the scammer has to do is look up who the owner is," Cronkright says. "They can go to tax records to see where the tax bill is being sent, and then they can create identity documents with information that's purchased from paid sources or through [the dark web](#). Those documents — a passport or some sort of state-issued ID — typically have a money mule's picture on them, but with information about the real property owner."

Criminals can use those documents and a forged deed to hire a real estate agent and can eventually present those same documents at closing to complete a sale. As was the case in the Graceland incident, sometimes they'll even impersonate a notary.

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"They'll find a commissioned notary in the state. They'll create a stamp that looks legitimate. They'll receive the documents from the title company by email or overnight package. They'll sign and notarize. It goes back to the title company or closing attorney. The documents get recorded and reviewed. And then the scammer receives a wire transfer for their net proceeds," Cronkright explains.

Sarah Frano, vice president and real estate fraud risk expert at First American Title Insurance Company, says these criminals "are targeting the equity in the property. Often the sale proceeds are quickly withdrawn or transferred outside the U.S., making recovery very difficult or impossible."



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### Both owners and buyers are victims

To succeed, scammers committing title fraud must be able to fly under the radar and go unnoticed by properties' legitimate owners. Some properties are therefore more vulnerable than others.

"Vacant land, second homes and rental properties are often targets because there is a lower likelihood that an owner will discover the fraudulent sale before it happens," Frano explains. "Owner-occupied properties are less susceptible to seller impersonation fraud, but are at a higher risk of a fraudster taking out a fraudulent loan and stripping the equity from the property."

Because scammers are interested in money, not land, properties with no mortgages or high equity are particularly attractive targets, adds Frano, who says victims include real estate owners, buyers and lenders — particularly those without title insurance, which in many cases offers protection against home title fraud. "Without title insurance, a home buyer and their lender could lose the money used to purchase the property and an owner could get stuck with the expense, time and hassle to undo the fraud," she notes.

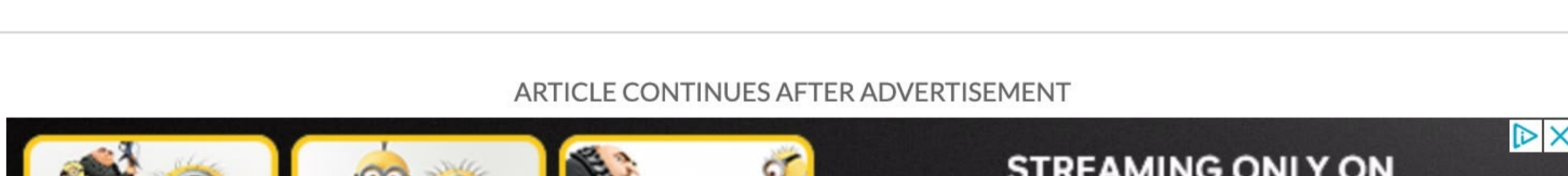
The good news about home title fraud is that it remains relatively rare despite an apparent uptick in cases, says Stewart Sterk, a professor of real estate law at Yeshiva University's Benjamin N. Cardozo School of Law, where he also is director of the Center for Real Estate Law & Policy. "For the most part, you shouldn't worry about it too much," Sterk says.

### If you are victimized

If you do fall prey to home title theft, the law is on your side. "Title theft is a bit of a misnomer," Frano says. "Legally, a forged deed is not valid and the true owner only superficially appears to have lost title."

Still, the risks and headaches associated with home title fraud are real. Buyers are protected if they have title insurance — as most do — but if they've made a cash transaction with no mortgage and don't have title insurance, that money may be irretrievable.

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Property owners who are victimized will need to prove ownership and that the transaction was fraudulent, which probably means hiring a lawyer and potentially going to court. That costs money, unless you have title insurance that covers post-purchase fraud.

Bottom line: In a world with increasingly rampant fraud, it pays to protect yourself — just in case.

### How to protect yourself from title fraud

If you're a property owner:

- **Set up a Google Alert with your property address.** "If the fraudster lists the property for sale, an alert may help you stop a sale before it happens," Frano says.
- **Consult county records if you've missed an expected tax bill or assessment.** "While silent, this is often the first alarm bell that [criminals] have transferred the title," Frano notes.
- **Check on vacant land and unoccupied properties.** Mysterious construction, unauthorized occupants and unsanctioned "for sale" signs can be visual evidence of potential fraud. If you own vacant land, an unoccupied home or a rental property, you should therefore make regular visits to inspect it, Rymarowicz suggests. "If you're out of state or not in the same town, have someone watch out for the property," she says. "Ask the neighbors to keep an eye out."
- **Check your title insurance policy for post-event coverage.** Although most purchasers opt in to title insurance when they buy property, "not all title insurance policies cover fraud after you purchase your property," Frano says. "This is especially true if you purchased your property prior to 1998," she explains, noting that most title insurance policies issued after 1998 include enhanced coverage for forgery and fraud that occur post-purchase. "This enhanced coverage provides owners additional protection should a fraudster try to sell or put a mortgage on your property while you own it. If you purchased your home before 1998 or if your policy does not have the enhanced coverage, contact your title insurance underwriter to inquire if the enhanced coverage is available as an upgrade to your existing policy."
- **Sign up for notifications from your county.** "You can check with the county recorder's office or the office that records the deed in your particular area to see if they have a notification system," Rymarowicz says. "Sometimes the property owner can actually file a notification that says, 'Hey, if there's anything recorded on my property, you need to tell me about it.' That would generate a notice to the property owner ... and alert them much earlier and faster to potential fraud."
- **Ask a real estate attorney about preventive measures.** "You might want to seek counsel to ask, 'Is there something I could record on my property that would prevent fraud or at least slow it down?' Laws vary state by state, and there's no clear consensus as to what could practically be done, but maybe there's some affidavit of interest or something that you could attach to your file that would require a third party to actually find you to get a signature to release that interest," Cronkright says. "That could do two things. One, it could alert the title company or the closing attorney that there is an interest that needs to be cleared. Two, it could be a deterrent. If fraudsters are looking at 10 parcels in a certain county and nine of them are free and clear, but this other one has some interest on it, they might simply skip that one."

If you're purchasing property:

- **Buy title insurance.** If you'll have a mortgage, most lenders will require you to have title insurance. If you're a cash buyer, however, you might need to go out of your way to get it. "Select a title insurance policy with fraud coverage," advises Frano, who stresses the importance of a policy that covers forgery and impersonation fraud that occurs both before you close on your property and after.
- **Be skeptical of bargains and rushed closings.** "One of the hallmarks of fraudulent sales is a price that's well below market price. So, if you're getting the deal of the century, that could be a red flag, in which case you may want to look a little bit closer at the seller to make sure they're legitimate," says Rymarowicz, who cites quick closings as another potential red flag.
- **Be cautious if a property is listed as for sale by owner.** Criminals are likely to avoid "the additional scrutiny" that a real estate agent would bring, points out Frano. She adds that you likewise should "be suspect of a seller that pressures you to avoid involving an attorney or title company in the transaction."
- **Beware remote notarization.** "Remote notarization is completely legal and legitimate, but there are bad actors," explains Rymarowicz, who says fraudulent sellers will insist on remote closings due to location, illness or other circumstances. In that case, she notes, the buyer or title agency could consent — but should insist on choosing the remote notary to ensure that the notary is legitimate.
- **Verify the seller.** While it's not unusual for buyers and sellers to not meet in person before closing, your real estate agent, attorney and/or title company should be able to verify that the seller is authentic. Criminals like to hide behind email and texts, Frano says. "Be cautious of a seller that never makes a personal appearance or makes excuses why they can't talk on the phone."

### Report home title theft

If you think you've been a victim of home title theft or another type of real estate fraud, contact your local law enforcement agency and your county recorder's office, consult a real estate attorney and report it to the FBI's Internet Crime Complaint Center at [www.ic3.gov](#).

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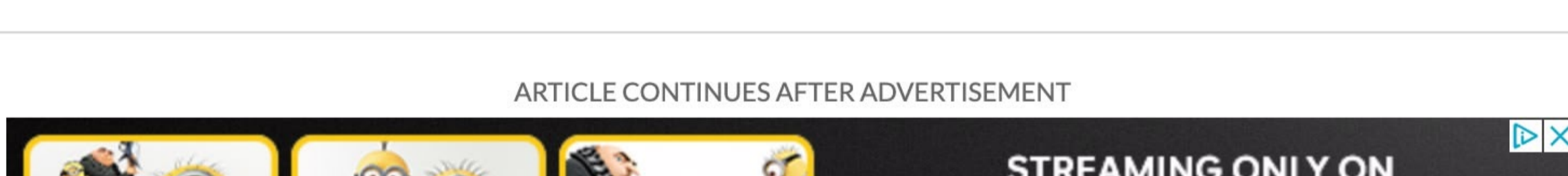
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