

realestatefraud:

MORTGAGE FRAUD HAS BECOME AN INCREASING PROBLEM IN RECENT YEARS

BY VICKY TAN

Mortgage fraud is a serious issue and is widespread across Canada. It can occur in a number of different ways.

IDENTITY THEFT is when someone fraudulently gathers your private information and uses it to impersonate you. Your identity is used to borrow money (through a mortgage or loan), obtain credit cards, buy merchandise and run up debts that are not repaid.

TITLE THEFT is when someone registers false documents that fraudulently transfer the ownership of your property into someone else's name. They fraudulently discharge any existing mortgage and then, appearing to be the owner of a mortgage-free home, obtain new mortgage financing, and pocket the mortgage proceeds.

This is also referred to as "stealing home." The legitimate owner usually has no idea that the ownership of the property has been changed and that their home has, in effect, been "stolen" from them. They may first hear of it when the new lender tries to collect the due payments on the new mortgage that has been fraudulently set up.

HERE ARE SOME TIPS THAT EVERYONE CAN USE TO HELP PREVENT IDENTITY THEFT:

- 1 | Keep information safe. Carry a bare minimum of information and personal ID in your wallet. Keep your SIN card in a safe place at home.
- 2 | Don't give out personal information in person, online or on the phone unless you are sure that you know who you are dealing with, and you know the information will be used for legitimate purposes.
- 3 | Don't use obvious numbers such as your birth date or telephone number for your ATM password.



4 | Check your bank and credit card statements regularly for unknown charges or withdrawals. Notify the financial institution immediately if you spot transactions that you haven't made.

5 | Shred documents before putting them out for recycling or garbage collection.

6 | Collect your mail regularly and in person.

7 | Check your credit report every year to make sure the information is correct.

8 | Never sign a blank document or a document containing blanks.

Mortgage fraud can leave victims with inflated property values, higher property taxes, an inability to sell their homes, or damaged credit histories.

Make sure you are dealing with a reputable organization before getting involved. To protect your home and home equity and avoid falling victim to fraudulent schemes, recognize and understand the signs of mortgage fraud.



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