



Tips to Prevent Becoming a Victim of Real Estate Fraud:

1. Review the appraisal carefully and compare the listed value to known sale prices in the area. Seek assistance if you're suspicious of the appraised value.
2. Be wary of unsolicited foreclosure assistance. When in doubt, don't sign any paperwork or pay for services without checking with a trusted source or attorney.
3. Do not allow the use of your name or identity in any transaction (for any amount of compensation) unless you intend to participate in the transaction directly as either buyer or seller.
4. Understand everything you sign before you sign it. Don't let anyone sign anything for you during the processing or closing of the transaction unless you authorized them to do so by executing a Power of Attorney.
5. Ask questions about anything you don't understand before you sign. If possible, ask more than one source to answer each question and compare the answers.
6. Do not allow anyone to pressure you to lie about anything or withhold any information – that's fraud.
7. Review the HUD-1 Settlement Statement carefully, and pay attention to the accuracy of every dollar amount listed. Compare the fees listed thereon to the Good Faith Estimate provided immediately after the loan application. Also, any cash exchanging hands that is not listed on the HUD-1 Settlement Statement may be evidence of fraud.
8. Review the prepared Lender's Application (Form #1003) signed at closing, and verify all the information is accurate as of the date you applied for the loan.
9. Require the lender to explain all the terms of the loan prior to closing and verify that the documents at closing reflect the same terms.
10. The purchase of an owner's policy of title insurance could provide coverage in the event fraud is later discovered to affect the title to your property.