

Office of Housing Counseling

Real Estate Wire Fraud

Thursday, September 22, 2022

Johanna Barrero: Hello everyone, and welcome to today's webinar on real estate wire fraud. My name is Johanna Barrero and I am a technical assistance provider here at ICF where the focus of my work is around consumer finance issues and education.

So a little bit about myself. I have been working in this field for a long time now, some of it as a practitioner in the nonprofit sector, and I am part of a team here at ICF that develops public facing educational materials and provides technical assistance on consumer finance topics.

And before we begin our session today, I will be going through some of the logistics to help us get started.

So we have a large group with us today. So we have all participants are currently in listen only mode. If you experience any technical issues during today's session, please send us a message. Send a message to the host using the chat box as shown on the screen so our host can assist you.

And after today's presentation we will have some -- after our presentation portion of our webinar today, we will have some time for questions from the audience. So please submit any content related questions through the Q&A box. And my colleague here at ICF, Sid Alvarado, will be monitoring the Q&A box, and we will do our best to answer all of your questions.

All right. So the PowerPoint slides for this session have been posted on the HUD Exchange, as always. And we have also pasted the link in the chat box, I believe, and you should see that soon.

Today's webinar materials, including the transcript and recording, will be posted on the Webinar Archives section of the HUD Exchange in about 7 to 14 days. And that's where you can find all housing counseling webinars, and you can also do a search by topic and date.

All right. So webinar attendance will be marked following today's live webinar, and you will be able to download and print a webinar certificate by logging into your account and going to the -- to your learning transcript. And there you can select the course name and click on print certificate. And please note that not all of the HUD Exchange trainings offer webinar certificates.

And throughout this presentation we will be posting questions through Mentimeter. When prompted by the icon on the right that you can see here on the right of the slide, please go to menti.com on your computer or your smartphone and enter your response to the question.

So we have pasted the link in the chat box that you can use, and we have a few polling questions for you now. We're going to get started with that. Please go to menti.com and enter the code that you see on the top of the screen, or you can use the link in the chat to join. And once you're in, click on the heart so that we know that you have been able to join.

Excellent. So I see a number of people have been able to join. I'm seeing those hearts. So thank you for that, and we will get started with the first question.

So do you already educate your clients about real estate wire fraud? And I'll give people a few more seconds to answer.

So we started pretty even, and now we're seeing most people don't really talk about or educate clients on real estate wire fraud. Okay. Well, great. Thank you for that.

And I think we can move on to our next question, which is, have you worked with a client who has been a victim of real estate wire fraud?

Okay. So good news is most people are saying no. That's great. In this particular case, that's a good thing. But we do have a couple of people who have, who are saying yes. Okay. All right. I'll give people just one more second.

All right. And then we have our third question is, if you said yes, please describe how you assisted your client. And here we're asking you to share your responses with us. They can be a quick sentence or a few words. That's fine. We want to get a sense of what you do if a client is facing this situation.

So no answer and legal services. Okay. Referred someone to legal services. All right. Great. So worked with bank fraud department. Excellent. So we're going to talk a little bit more about that today and some of the steps that clients can take and the information that you can share with them.

Okay. All right. So next, we are going to talk about if you said yes -- oh, sorry. Can we -- oh, I see. I'm sorry about that. So I see that we did describe how you assisted your clients. Awesome. We're going to move on to the next slide, but you can keep sharing your thoughts in Mentimeter.

All right, So I introduced myself already. I will be one of your presenters today, but I want to introduce my co-presenter who is Chris Morton. He is joining me today. He -- Chris is the senior -- is a senior vice president of public affairs and chief advocacy officer with the American Land Title Association. And Chris will be doing the first half of this presentation. So -- but before I turn it over to Chris, let me just quickly go over the agenda.

So on our next slide, you can see that today we're going to talk about what is real estate wire fraud and how to avoid it. We will also talk about how housing counselors can share information and educate their clients about this important topic. And we will have an opportunity for a Q&A towards the end.

And with that, I'd like to hand it over to Chris Morton, senior vice president of public affairs and chief advocacy officer at ALTA, who will get us started. Thank you so much, and take it away, Chris.

Chris Morton: Great. Well, thank you, Johanna. It's very great to be with everybody today, and we really appreciate the opportunity to speak to you on this critically, critically important topic for you as housing counselors.

Real estate wire fraud is a real risk. It is a real issue that has grown over recent years. And it's really a devastating problem when it occurs for a homebuyer, particularly first-time homebuyers and others who have spent their lives saving for this moment of excitement only to have a circumstance where a fraudster comes in and takes their money unbeknownst to them. And oftentimes when that occurs, it may be too late to recover that.

And so, what I was really pleased to see is the responses of how few of you have actually had this occur to your clients, which means this session is extremely, extremely timely and, hopefully, will give you the tools and the information and resources to make sure that it doesn't happen to your clients. So that's really our goal.

Our industry, the title industry, really has been leading on this topic because of our real concern to make sure that consumers are always protected and that their property rights are something that are upheld and that the pride and joy of homeownership is something that they can celebrate.

So with that, I thought it would be great to start us off with one of the things that we've done is really tried to provide a lot of consumer facing information. We'll talk about the resources that we have available at the American Land Title Association, but this is one of them which really just walks through at a high-level sort of how these scams come to be and what occurs when a fraudster attempts to contact a buyer and/or people in the transaction and give some tips as to how to approach it.

So I think we're going to roll this video so you can start with some of that education.

Video: Buying and selling a home is an exciting time, but there can be pitfalls for unsuspecting consumers. The American Land Title Association wants homeowners and sellers to be aware that criminals are using wire fraud schemes to steal money meant for home purchases or the proceeds from the sale of the property.

Criminals often begin the wire fraud process by using email messages, website forms, or phone calls to steal your email login and password information. Then hackers will monitor your email messages to learn if you are involved in a real estate transaction.

If you are, criminals will email you fraudulent wire transfer instructions disguised to appear as if they came from a professional you're working with. If you receive an email with wiring instructions, don't respond. If you take the bait, your money could be gone in minutes.

Here are four tips to protect against wire fraud. Call, don't email. Confirm all wiring instructions by phone using the phone number from the title company's website or a business card. If you received an email about changing wire instructions, do not call the number in the email.

Be suspicious. It's unusual for title companies to change wiring instructions and payment info.

Confirm everything. Ask your bank to confirm the account number and also the name on the account before sending a wire.

Verify immediately. You should call the title company or real estate agent to validate that the funds were received. If you have been targeted by a scam, you should immediately call your bank and ask them to issue a recall notice for the wire transfer. Report the crime to ic3.gov. Call your regional FBI office and local police.

For more on the closing process. Go to homeclosing101.org.

Chris Morton: So we're going to get into more specifics about the -- both the ways to prevent wire fraud for your clients but also the response, should unfortunate circumstances happen.

But I wanted to start building off of the basics from that video to talk more about the data that we're seeing from various government agencies, not just about wire fraud, but the broader issue of fraud associated with Internet crime and other cybercrimes.

So some of these statistics that you see here are pretty shocking. And it should, I think, make all of us sit up a little straighter and take this issue with the seriousness that -- which it deserves.

So according to the U.S. Secret Service, 6,000 businesses are targeted each month by cyber criminals, and a cybercrime, as a result, is reported. These are just the ones that are reported. There are many that go unreported, but every 37 seconds, according to ic3. Now, ic3 is the Internet Crime Complaint Center at the FBI, and they're the ones who track and monitor all of the fraud going on in the cyber universe.

But many crimes are not reported for a variety of reasons. I know a lot of folks feel shame or concern about what they did or how they were victimized. And what we say to everyone is, it's really critically important to come forward to report these incidents to make sure you get the assistance and help immediately that you need because that's going to ultimately help us all get better at combating these types of crimes.

From a real estate wire fraud perspective, we've seen a pretty significant increase over the last several years in the average amount lost in a wire fraud. Now, some of this certainly is related to the increase, for instance, in real estate prices and average transaction amounts.

But it's also, I think, indicative of the fact that we have cyber criminals who are getting more sophisticated, who are recognizing the types of buyers and transactions to target. And interestingly enough, from the last report of ic3, it showed -- and I'll talk a little bit more about this -- an increase in the dollar amounts that were stolen but an actual decrease in the number of people who are victimized.

And I think from our perspective, what that shows is, while we certainly have a great deal of work to do from an education and prevention perspective, the more awareness we can build, then more -- fewer, I should say, individuals will be subject to this problem.

Every 11 seconds we see a ransomware attack, whether on a business or a particular group or government agency, according to Cybercrime Magazinet. And then from a survey we did at the American Land Title Association of our members themselves, we found that there is an

increasing targeting that's happening amongst our membership where most recently in 2021 in a survey we found one in three transactions are targeted.

That certainly doesn't mean that those transactions are resulting in fraud, but that because our members are very active and aggressive and aware of ways to prevent this from a business perspective as well as a client perspective. But the attempts are increasing, certainly, which that indicates.

So let's dig in a little bit more then on some of the top line numbers. While Austin Powers here provides a little bit of levity in terms of why you should care and bringing attention to this, it's not a funny matter, clearly. The fact of the matter is that, again, total losses from Internet crime now have reached almost \$7 billion on an annual basis.

Within that bucket, around 35 percent of those are resulting from email compromise or business email compromise, \$2.4 billion in losses, and that a subset of that email compromise is around real estate and rental losses, which, as I mentioned, went up from \$213 million in 2020 to \$350 million in 2021.

But again, there was a decrease in victims from somewhere around 13,700 down to about 11,500. But we also know that, in fact, those reported cases are probably underestimates, given what I said earlier about the challenge and the sort of shame or fear or what have you as it relates to reporting this information.

So we encourage all consumers to be very vigilant in responding and being forthright about what happened, working with businesses that they were working with on transactions, and we certainly work with our members in the marketplace to make sure that they have all the tools necessary to respond from a business side as well as helping from a consumer side on any fraudulent activity that occurs.

So then the question becomes, what is it that drives the success of the fraudsters in these scams? And the reality is it's all based or much of it is based on the emotions involved for all of us in major financial purchases that we make.

And with something like housing, which is the largest financial purchase that anyone makes, for the most part, in their lives, there is a lot of emotion around this. There's excitement. There's stress. There's all of these things. But the way that the fraud evolves really preys on various stages of that and various emotions. So this just is something I wanted to share around what that might look like.

So greed. Often, you'll see phishing emails which seek to gather personal information through links that dangle financial rewards. If you click those links and enter login information or simply click on it and have some sort of malware or things then downloaded into your system.

The bottom line with financial rewards, and you know this all is as educated, experienced counselors, if there's an email that comes out and it offers you something that is too good to be true, it probably is. And so, always -- as the video showed, always be suspicious. Always

question, what is this? What is the source? Let me look at the email address that this comes from before clicking on any type of links.

And certainly, when you get emails from people or parties that you don't know, you should never ever click on those. Even if it looks like it's a company you may be dealing with, always investigate. And particularly for those of you who have IT departments who can examine or IT help that can examine those things, that's always a place to turn.

The second is urgency. If an email provides a strict deadline, for instance, for performing an action, that is a red flag. Phishing emails will always try to fluster recipients by creating a sense of urgency.

And again, in a real estate transaction where there's a lot of back and forth, there's timing involved in getting to closing by a certain date in order to confirm and lock in all sorts of particulars for a transaction, urgency is a natural part of it, but the fraudsters really use that in many respects to prey on victims.

And so, whenever there is a demand or an assertion that, if you don't do this, everything will fall apart and the transaction won't go through, always be suspicious and do your due diligence.

Curiosity is another one. We're naturally curious as human beings and individuals, and scammers, fraudsters take advantage of this. Those who send phishing emails who always say, well, we've got an exciting deal for you. Click here to find out more. You've won, or those kinds of things, certainly, those are places to pause, take a breath, tell your clients and consumers always, always take the time to investigate those.

And then fear is the other major area of exploitation. Scaring individuals is always one of the tactics that's used in phishing emails. As an example, if you don't do this, you'll lose the house. If you don't do this, the money that you've saved won't get you your dream. Whatever it might be, always, again, treat those examples with great, great suspicion.

So that's just a little bit about the emotions involved from a consumer perspective, and those are things to just be aware of.

Now, I want to talk a little bit more specifically, though, about the examples that we have of fraudulent email exchanges. And these are taken from actual exchanges that we've seen that are anonymized, obviously, for the purposes of this training.

But what we found over time is that the sophistication of the fraudsters have grown significantly. They've really learned how to correct obvious flaws in the way they communicate or the way they spoof emails or those kinds of things.

But the first flag you always have to look for in these circumstances is sort of the way people communicate and whether they're -- they have misspellings or the lack of proper sentence structure, those kinds of things. Always be mindful of that. That's always a flag on these kinds of things.

Here one of the things also to recognize is this is preying on both urgency and fear. If you look at the sentence, you need to have the cash to close wire to our trust account to avoid a closing delay, that's a clear tactic based on the emotion that I just mentioned. And so, again, red flag. Let's investigate before we go further down the road here.

The other thing to think about is as -- and investigate as you encounter these circumstances or your clients do from a consumer perspective, is always looking at and hovering over without clicking emails to understand the source of the email.

Oftentimes, you'll find emails that are spoofed look almost exactly the same in a quick overview. But if you look and examine closely, what you'll find is one letter is off or there's a different email extension on the back end or those kinds of things. And it's hard to catch those when you're rushing and you're not taking the time to really understand what you're looking at. So those are the things, again, in the education process to be aware of.

So this is, again, a little bit more in depth on the exchange here. And we're looking at some more back and forth on email. Again, urgency and fear and all of that can be reflected in the back and forth here. See the attached wiring instructions. Your cash to close final amount is \$57,102.02. Any excess funds will be refunded to you in the form of a cashier's check. That's a flag.

There is a preciseness and an accuracy, particularly in our business, that our members take very seriously. They will give you the amounts that are needed, and they're not seeking to refund you monies, for the most part. And so, one of the things to be aware of is this seems to scream a little bit of concern from a suspicion perspective.

So again, these are just a couple of examples. We have many more that we can share and certainly as a resource and we'll talk more about resources on the back end here.

But let me give a little bit more about what this really means to individual prospective homebuyers and people who have really worked hard, many of which have, I'm sure, worked hard with the great efforts that you provide to counsel people through the pre-purchase process going into a home ownership and the closing process as well.

And again, imagine just the emotional rollercoaster that people go through when they click on a link and send a wire and haven't done the work to really investigate and all of a sudden they don't know what to do and they've just sent their life savings out the door. It is traumatic, and it's something that we've seen over and over again.

And I can't describe to you just how emotional it is not only for the victims but also for all the people in the transaction who are really partners in this. I know our members take -- again, take the work they do to partner with their clients and give them their dreams really, really seriously.

So these scams range from many hundreds of thousands of dollars in some of the higher cost markets, as you see on the left here, to smaller amounts but no less important for others, again, all relative to the dreams and the savings and the hard work of consumers.

And so, it's a real problem. It is, again, growing in sophistication. And that is why this educational session is just so critically important, and we're so pleased to be a part of it.

So with that, let me then turn to at a high level just a reiteration of some of the things that consumers can do as you think about this from an education perspective. And Johanna is going to speak more specifically to these, but I wanted to just touch on them again because I think it's never too often to repeat the steps and the things to think about.

So calling, not emailing, always with a trusted number that you know is right, whether from their website or business card or otherwise being suspicious, particularly around those emotional cues that I mentioned. Confirming all instructions over the phone with those trusted individuals that you have direct dealings with. Verifying the information once you do confirm and send the funds that it's been sent and it's been sent correctly.

And then this is -- this last one is important, forward, don't reply. You can always send an email that you think is suspicious back to the actual individual that you're working with at the title company or your agent and say, I just received this. Did you send it, before you respond to any of it as a way of checking the authenticity of that.

So again, just some simple tips that I think are extremely important in this process.

Mistakes are made, however, and I want to just mention a couple of those that we see often in the process. One is the use of unsecured email, whether that's Gmail accounts, Yahoo accounts, non-secured -- non-business unsecured emails.

I think it's really important to make sure you're asking the question of all the parties in your transaction, realtors, title companies, et cetera, what is the security of your systems? How do you communicate this personal information? Do you have a secure platform or a secure email system that you work through?

We have worked with our information security officers at our companies and our membership to make sure that there are protocols and security features in place with all of the transactions that they conduct. And so, use of unsecured emails, a really important mistake that's made.

The second is in the haste to move forward, again, most likely because of the emotional investment in the transaction and in the process, we see that no phone calls were ever made to verify or confirm email requests. And again, pausing, thinking, breathing through the process and certainly doing all the things that were outlined in that video and that now Johanna is going to speak more to in a second are really important.

The final thing I will just say before I turn it back to Johanna is about reporting again. All phishing emails -- and this is not just if you become a victim. If you see phishing emails that are provided by your clients, please report them.

The more that we report, the better the understanding and the tracking will be at ic3, and information and data about wire fraud attempts and the evolution from a criminal perspective of the approach that they'll be able to build back into their analysis and help us, all of us, as we help clients and consumers, help all of us continue to prevent more and more of these circumstances from occurring.

And that's really, again, the goal here is prevention. It's always the case that there, unfortunately, will be unique circumstances and gaps will happen. But as we've seen with the data, victims, at least the reported data, it's going down. And so, we want to keep driving those numbers down and driving the education and the awareness up.

So with that, I'm going to turn it back to Johanna to talk through some of those ways of educating your clients.

Johanna Barrero: Awesome. Thank you so much, Chris, for that great information that you just shared. I'd now like to go over some tips and information that you can share with your clients to avoid wire transfer in real estate transactions. So we're going to go a little deeper on some of the things that Chris touched on.

So in looking at safety tips and best practices that you can share with your clients, I collected them here on this slide. But I think the first one I would point out is talk to your client about collecting contact information from trusted individuals who will be involved in the closing transaction when they -- in the closing transaction early on in the process.

So talk to your clients to make sure that they have phone numbers for the real estate agent and key points of contact at the settlement company that they can contact if they need to verify information. So where they can initiate that contact as opposed to simply responding to an email, like Chris mentioned.

If anything changes with the payment process or anything with instructions that seems confusing, clients can then contact those people to confirm that those instructions have in fact changed or that the information is accurate. They can confirm payment instructions, verify any changes that -- to any instructions that they have received previously.

And we saw that scammers will typically contact the home buyer with an urgent message. That's something Chris really emphasized. Asking people to act very quickly, wire the funds sooner than it had been agreed on or to a different bank account. And this will typically be in the form of an email really taking advantage of the client's emotions around the home purchase.

So clients may be confused by competing instructions or changes in instructions or changes in the way the communication has been handled earlier. And they may feel compelled to follow those instructions and act quickly without verifying it and that way falling victims of the scam.

So really make sure that you talk to your clients about knowing who to contact if they need to verify information, and also encourage your clients to always take some time. We talked about this. Take a breath. Take some time. Things are urgent, but you still have a few minutes to really

look through things and make sure that you're verifying the accuracy of the request, calling trusted advisors, and not responding immediately.

There is one tip that the Consumer Financial Protection Bureau, the CFPB recommends that is kind of funny but very effective, which is recommending clients to come up with some secret phrase or some other way that they can make sure that the person they're speaking with is the right person. So it can be some secret passcode or phrase they can use.

And again, just a reminder that scammers use very sophisticated tactics to impersonate people involved in these transactions. They use those same tactics in other types of fraud. So small measures like these can make a big difference.

Also, telling your clients to make sure they use secure systems to share their personal information and financial information. And they can ask real estate agents and banks and settlement agents about how their personal information will be protected, and we'll talk a little bit about that in a minute.

All right. So on this slide, we have included some technology safety tips and guidance and a screenshot of the HUD Exchange where you can find more information. You may find that a lot of the steps in the home purchase process, depending on how long you've been working in this field, that were previously done in person or on paper is now done electronically.

And it is possible that your clients will receive documents requiring electronic signatures, or they may be asked to log into a special platform to sign or transmit documents. E-signatures are a legal alternative to written signatures and can save a lot of time and other costs in a transaction. But you want to make sure that your clients know who to ask about this process and what they can expect and how their personal information will be shared electronically and how it will be kept safe.

And this is important because -- not only because we saw that you have scammers sort of waiting for an opportunity to intercept that transaction, but also because not using secure systems can lead to identity theft.

So we also recommend that clients are aware what constitutes their personally identifiable information, which is the information they need to make sure that it's always kept safe and that will prevent identity theft. And I have included some information here that I want to share with you.

So personally identifiable information, also referred to as PII, and you may already know, this includes information as simple as a person's name, work, or email address, phone number, which are typically shared very widely with others. But it also includes more sensitive information like a Social Security number, a driver's license number, a state ID number, which are not typically shared with others.

And when you put all of those pieces of information together, what you find is that you can get a pretty accurate picture of the person's identity and some private details about their personal and

financial lives. So when this information is used for criminal purposes, it can really cause a lot of harm for the victim, and there are some things that clients can do, some steps they can take to protect their personally identifiable information.

They can keep it in a safe place, but they can also make sure they're not sharing it or discussing it with people who don't have a need to know that information. So in the home purchase transaction, you want to make sure that not only they're using secure systems but they're not just sharing that information with anyone, that they only share it with those that need -- that really have a need for that information.

Again, confirm that they are speaking to the right person before they disclose any of those -- any of that information, never leaving messages on voicemail with your personal information or sending that sensitive information via text or some other unsecured system are part of those sort of best practices.

And next, I want to -- I want us to take a look at some of the steps that a client can take if they have been a victim of wire fraud.

So the first step always should be to contact the bank or wire transfer company immediately and notify them of the wire fraud. Time is really of the essence for banks to be able to track the funds and stop the funds from moving to other accounts. So include all of the information.

Clients should include all of the information they have on the wire transfer. They should also demand that the bank contact immediately the fraud department of the receiving bank in order to place a fraud freeze on the account so that the money cannot be further transferred.

They should also demand that the bank confirm if the funds are still in the account and stop the transaction. And if the funds have left the account, identify where the funds were transferred to and immediately, again, notify those banks that received the funds to place a fraud freeze on those accounts. So that's the first step dealing directly with the financial institution that received the funds.

The second one is to file a complaint with the FBI's Internet Crime Complaint Center, the ic3. And you can see a screenshot here. I've also marked sort of where you would submit a claim -- a complaint -- sorry. And here the client should really make sure they have as accurate and complete information as possible.

So you as housing counselors can take a look on the website and see what kind of information your clients or the people who are victim of these type of crimes will need to submit. But basically, the victim's contact information, which includes the name, address, phone number, email, any financial transaction information, account information, transaction date, amount, who received the money.

And I also want to stress that clients should keep this -- any evidence or regional documentation in a safe place and not provide that -- any original documents, although, these days everything is electronically. So information can be copied many times.

But moving on to step three, clients should contact their local FBI field office and there they can provide the ic3 complaint number and as well as any other information and facts that lead to the fraudulent transfer.

And they should also provide their contact information for follow up. So you can find the contact information for the FBI field offices on the FBI website at [FBI.gov/contact-us/field-offices](https://www.fbi.gov/contact-us/field-offices). But basically, FBI.gov, if you do a search for field offices, you should be able to locate that. They're listed alphabetically. You can see which states each of those field offices cover.

And then finally, remind your client that time is of the essence, as we have mentioned before, and that every minute and hour counts.

All right. So now, just let's take a look at some of the steps that you can take as housing counselors to inform and educate your clients. And again, start by talking to them about wire fraud. What is it? Share the video that we just saw. There are other videos the CFPB has and ALTA has that you can share with them.

Explain how this type of fraud usually happens. Talk to them about the risks that are involved in the closing process and what they can do to avoid them. We've talked about safeguarding personally identifiable information, verifying identity of the people that are involved in the transaction.

We talked about verifying any changes, last minute changes in the transfer process or or in the instructions relating to bank accounts, et cetera, and also, always avoiding acting under pressure or threats. And you can also share the wire transfer best practices that we discussed today.

So again, if a client has been a victim of wire fraud, share the steps they need to take. They have to contact the FBI ic3 unit -- the bank first, ic3 unit next, and local FBI field office. And finally, you can create partnerships. You can -- with professionals in your area, with law enforcement so that you know where to refer people and you have resources that you can share with them. But definitely consult some of the resources that we're going to share next with you.

And what we have next is some resources from ALTA and some other sources. And I'll hand it over to Chris, who's going to talk a little bit about some of their resources.

Chris Morton: Great. Thank you, Johanna. So yes. We have a number of resources that are available right here. You see, obviously, the video that we showed at the outset of this training seminar.

That's available at homeclosing101.org, as well as the infographic you see here that is sort of a rack card you can hand out and also use it with your own branding with clients that you counsel that talks through all of the information at a high level that Johanna and I spoke with about how to approach being vigilant, protecting your money, and what to do if you're targeted.

So again, all that information is housed and available at homeclosing101.org, and that's our consumer facing website that we've developed for consumers.

Johanna Barrero: Thank you, Chris. And next, we have some resources that are created by the Consumer Financial Protection Bureau that I am not going to go into a great deal of detail here, but I did want to point out some -- a couple of them that you may find helpful.

The first one is the Mortgage Closing Scams: How to Protect Yourself and Your Closing Funds. This includes a short video on what homebuyers need to know about mortgage scams that you can also share with your clients. It also has similar information to what we have discussed today, and it has not the video but the information on that webpage is available in Spanish.

And then the resource Buying a Home: Tools and Resources for Homebuyers talks about the various steps in the home buying process, including the -- including a closing checklist that your clients can use to prepare for closing.

And then we have some remaining CFPB documents that cover more general information on frauds and scams and can be helpful for your clients just in general.

And on this page, we have also included a link to the FBI Internet Crime Complaint Center that we talked about earlier where you can report wire fraud cases.

And we have also included the link to HUD's Office of Inspector General, where you can find information on how to report any violations relating to federal laws, rules and regulations pertaining HUD programs and funding, such as housing subsidy fraud, et cetera. So you can check that out, too.

And we encourage you to check out those resources. And before we move on to Q&A, we have another Mentimeter poll. So if you're not in Mentimeter, please use the link in the chat to join and answer the following question.

How will you use the information you learned today in your housing counseling work?

And I am having a bit of technical difficulty here on my screen. I may need my colleague Sid Alvarado to help me read some of the answers because I'm not --

Sid Alvarado: Sure, Johanna. We do have a few answers coming in, and it looks like there's a response that says they're going to use the utilized resources with clients. Share with team to provide to consumers. Add a section to homebuyer classes. Love that response.

It looks like there are a few responses that talks about adding it to the homebuyer education classes, which we definitely can appreciate. I think it's a great idea.

There's also a response that talks about using slides on PII, being able to recognize and to know what that is, and that's great. Also, discussing this portion during the escrow with clients.

Sees here that there's a response that says that there is a lender that speaks on this, but will definitely print this information out and provide it as a handout added as an additional resource, which of course we still think is a great idea.

Continue to see a common theme where there are those who are going to be adding this to their homebuyer education. So maybe this was something that just was touched on lightly or maybe not mentioned. And so, there's going to be that inclusion in the homebuyer education portion portion and using it to beef up PowerPoint slides.

So there is definitely this consistent theme between either providing it in the individual session or through homebuyer education.

Johanna Barrero: So that is great. So great ideas. I love the idea of sharing the videos. They are short. They are very -- they just have sort of the basic things that consumers need to know without being an expert in all the very complicated aspects of the home purchase process. Excellent. Thank you so much, Sid.

So next, we're going to move on to Q&A. I don't know if there are any questions that Chris and I can answer.

Sid Alvarado: Yes. There are some questions. My first question, it looks like it will be for Chris. I know that there was some mention in this in your slides already, Chris, but I think it's worth to kind of go over so that way all can benefit from your answer.

And so, the question here is about the time frame. And so, they want to know, is there any way for a client to recover their money? And if so, what does that time frame looks like to stop that transaction?

Chris Morton: Yeah. That's a terrific question, Sid. In some cases, yes. It is possible to recover some or all of that money. However, there's a huge stipulation with that, which is time is of the essence. Really after -- we find after 24 hours, it becomes almost impossible. 48 hours, the more time goes by, it's really a difficult.

So you're talking a matter of hours in order to reach out because fraudsters are moving really, really quickly. The more time passes, the harder it becomes really to get that money back. And you have to be aware too of sort of when these things happen.

So oftentimes you'll see these scams take place late on a Friday afternoon when the scammers know that over the weekend people are going to be off doing things with their family and those kinds of things and not thinking about this until they realize whether I should have confirmed that or I didn't do this step in the process. And then by Monday, it's not possible.

So really, again, follow those steps that we've outlined both on the front end. Hopefully, that will prevent this from occurring. But certainly, as Johanna spent time with on the back end, time is of the essence. So really, it's minutes and hours and not days that you've got to react.

Sid Alvarado: Thank you so much, Chris. Johanna, my question -- my next question is really surrounding language. There was a question that the ALTA team already answered, and it was asking specifically about the video. Was that available in Spanish? And there was already a response that the video itself is not offered in Spanish at this particular time. However, there are some written materials that includes the information that was in the video that will be available by the ALTA team.

But, Johanna, my question is, are there some additional resources that housing counselors can use? I know that you mentioned some CFPB resources. Are there some additional resources that are in other languages, Spanish, that housing counselors can use to educate their clients?

Johanna Barrero: Yeah. So I'll go back to CFPB only because, one, it's a government agency. So I want to -- I emphasize if you don't know where to find information, these are always good places to look for that information. You have seen the ALTA resources as well.

But on the CFPB website, you will find that a lot of the pages are available in Spanish and sometimes in a -- in multiple other languages. The video itself that I referred to, which we didn't show, is not in Spanish, but the information on that page which deals with mortgage closing scams is available in Spanish.

So I would start there, and I would navigate their website or the various resources. I mentioned some of the scams and frauds kind of fall under various categories, but they usually use similar tactics, like with Social Security fraud and similar. It's like, you're going to lose your benefits. Call now. The sense of urgency and things like that.

So I think a lot of the information that is available on the CFPB website is information that you can use in the context of this type of -- these types of fraud. So I would start there. Yeah.

Sid Alvarado: Okay. Thank you, Johanna. And, Chris, I do have a question that's a little related to that. It is still surrounding around language, as they stated. The ALTA team has responded in saying that you -- your agency or your company is currently developing materials in Spanish.

But what can someone do now if English is not their first language? What can they do now when they've been maybe contacted and maybe the contact was initiated in English? What can they do? Maybe something like perhaps asking a family member or something, but just want to hear from you, what can they do now?

Chris Morton: Yeah. And it's not uncommon to have those committing fraud targeting, exploiting non-English speakers, certainly. And so, that's something to be speaking about with the consumer in the counseling process.

But yeah. Having a family member or a friend available for assistance, not just in the moment but really throughout the process, I think is really important who can be a resource in that translation process and helping authenticate things like wiring details before making any transactions or any decisions around the transaction is really helpful in that process.

So I would just encourage that approach, particularly as we've seen this problem grow in sophistication.

Sid Alvarado: Thank you, Chris. And, Johanna, it looks like pretty much we've answered all of the questions that we have had. And so, I'm going to turn it back over to you.

Johanna Barrero: Awesome. Thank you so much, Sid, and thank you, Chris.

So thank you for sharing your questions. Please don't forget to visit the Housing Counseling Training Digest on the HUD Exchange. You're probably pretty familiar with it, but this is where you can find information about housing counseling trainings. This training hub is updated weekly, and you can find upcoming trainings, past trainings, self-paced trainings that you can consult anytime.

And remember that you can always find more housing counseling, resources at the HUD Exchange Housing Counseling landing page, and you can get in touch with the Office of Housing Counseling by emailing the email address on the screen.

You can also use the link on this page to search for HUD approved housing counseling agencies.

And finally, I want to give a big thank you to Chris Morton from ALTA, as well as our colleagues at HUD, ALTA, and ICF for their work on this webinar and this great information that they are putting out for consumers. And want to thank you all for attending, and I hope you have a great rest of your week. Thank you so much.

(END)