

Title Chat

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Claim Awareness Month Warning Signs of Possible Forgery or Fraud



October is Claim Awareness month at North American Title Company and North American Title Insurance Corporation. In our last Chat we announced the first reward given where an associate detected a possible fraud or forgery. The reward was given pursuant to North American Title Insurance Corporation's Fraud and Forgery Prevention Program. A Bulletin has been circulated in each division announcing the program and listing the warning signs or signals of possible fraud or forgery either in a title examination or closing. We would like to take the opportunity in this and the next Chat to identify and discuss the signals of a possible forgery or fraud.

1. Should there be a concern if a deed (usually a quitclaim deed with no documentary stamps and not prepared by an attorney or title company) was either recorded recently, or is a document presented unrecorded at or just before a closing?
2. Should there be a concern if a satisfaction or release of mortgage either was recorded shortly before a closing or is presented unrecorded at or just before a closing?
3. Should there be a concern if an assignment of an existing mortgage either was recorded shortly before a closing or is presented unrecorded at or just before a closing?
4. Should there be a concern if the seller's realtor asks the closing agent if he or she can take the deed and other closing documents to the sellers to sign because the seller is sick and cannot come to the closing (or some other similar reason)?
5. Should there be a concern if the seller or the seller's agent asks to take the payoff check on the existing mortgage to the bank personally because they have a personal relationship with the bank's officer (or some similar reason)?
6. Should there be a concern if the deed is brought to the closing with the signature of the seller and two witnesses but no acknowledgment and you (the closer) are asked to acknowledge the signature of the seller? What if you know the seller?
7. Should there be a concern if you are told the seller is away and the deed should be sent to a person at a certain address where the seller will be at before the closing? The person is not an attorney, a title company or a realtor in that area?

What if, in addition to any one of the above, the order for title insurance had been placed by someone who is not one of your regular customers, or someone you were trying to get as a customer **AND** this customer is requiring the closing to take place immediately?

We will Chat next month!

Title Chat is published monthly by North American Title Insurance Corporation, a member of the North American Title Group of companies for distribution to North American Title Group's employees and customers. Topics will include closing issues, title and title insurance issues and title insurance business issues; and are intended to make the reader aware of the issues discussed. It should not be construed as giving a legal opinion on the issues being discussed; but rather as addressing situations encountered in its business and sometimes offering solutions based upon applicable case or statutory law that the reader may be unaware of. North American Title Insurance Corporation assumes no liability for any incorrect statements made herein.

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