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Facilitator: Chris Hardy

- **Colorado Native**
- **CSU Grad – English**
- **Married to Pat Hardy**
- **Movie Theatre GM**
- **Kinko's - GM**
- **Contractor**
- **REALTOR since 2003**
- **Managing Broker/Owner**
- **Speaking**
- **Training**
- **Coaching**
- **Live on the Poudre**
- **Fly-Fisher**
- **Cache!**



DISCLAIMER!

I am not an attorney.

This is not legal advice.

This is Risk Management.

Who Are You?

Which Brokerage?

How Long Licensed?

How many hours today?

How often do you commit fraud?

fraud!

What immediately comes to mind?

fraud

/frôd/

noun

wrongful or criminal deception intended to result in financial or personal gain.

“the REALTOR was convicted of fraud”



defraud

/də'frôd/

verb

illegally obtain money by deception.

"the REALTOR used a straw buyer to defraud the bank of thousands of dollars"



scam!

Before your next hotel stay...

What do
scammers
look for?

vulnerability

gullibility

probability

How do brokers
participate?

momentum

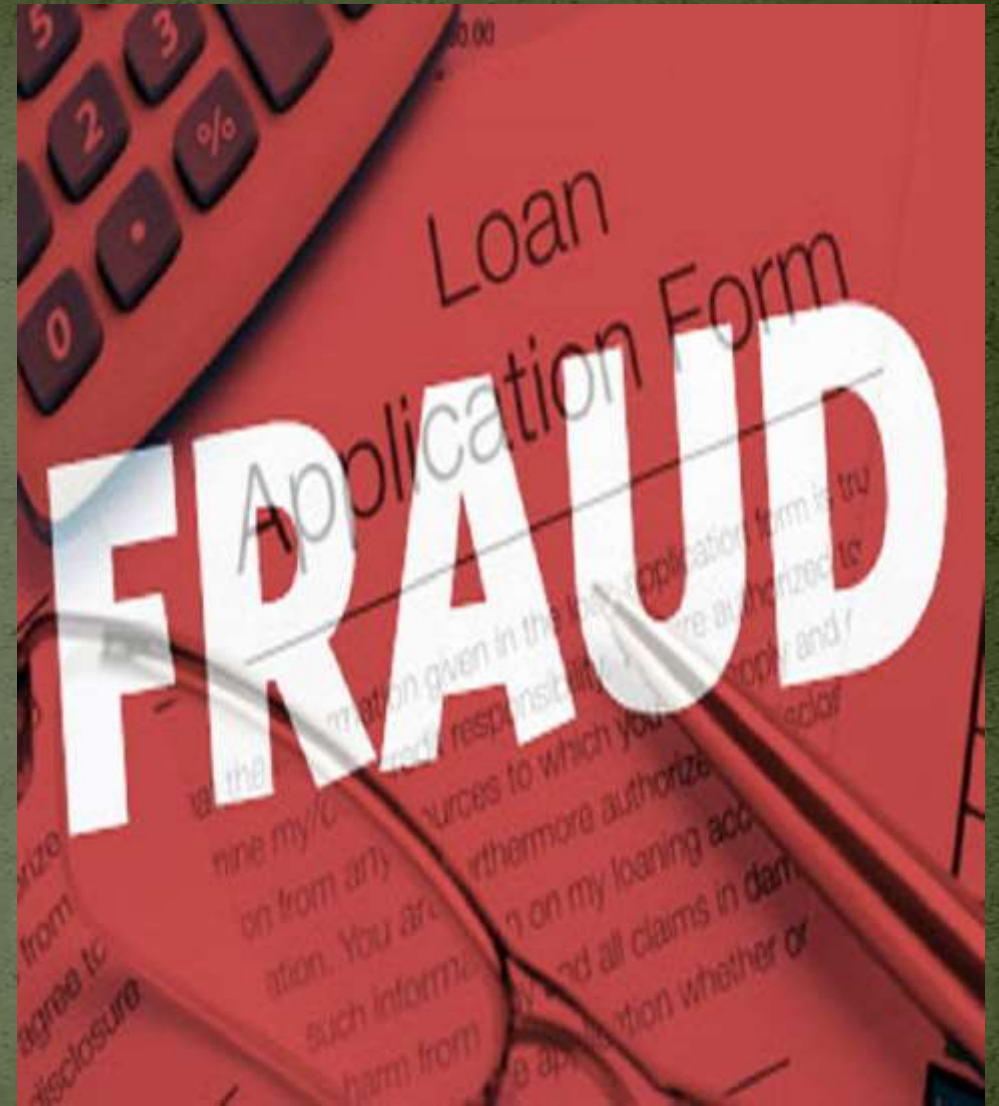
expedience

impudence

Types of Fraud

- Mortgage (Loan) Fraud
- Contract Fraud
- Wire Fraud

Loan fraud
requires a
misstatement (or
omission) of a
material fact to a
lender.



Loan Fraud

According to CoreLogic,
Here's the Most Common
Types of Loan Fraud:

- ✓ Income fraud
- ✓ Occupancy fraud
- ✓ Transaction fraud
- ✓ Property fraud
- ✓ Undisclosed RE Debt
- ✓ Identity fraud



Loan Fraud

Income Fraud

An applicant misrepresents the existence, continuance, source, or amount of their income



Loan Fraud

Occupancy Fraud

An applicant deliberately misstates the intended use of a property as a primary/secondary residence or investment.



Loan Fraud

Transaction Fraud

An applicant misrepresents the nature of the transaction, such as undisclosed agreements between parties, falsified down-payments, or that it is a non-arm's-length sale



Loan Fraud

Property Fraud

An applicant misrepresents information about the property or its value.



Loan Fraud

Undisclosed RE Debt

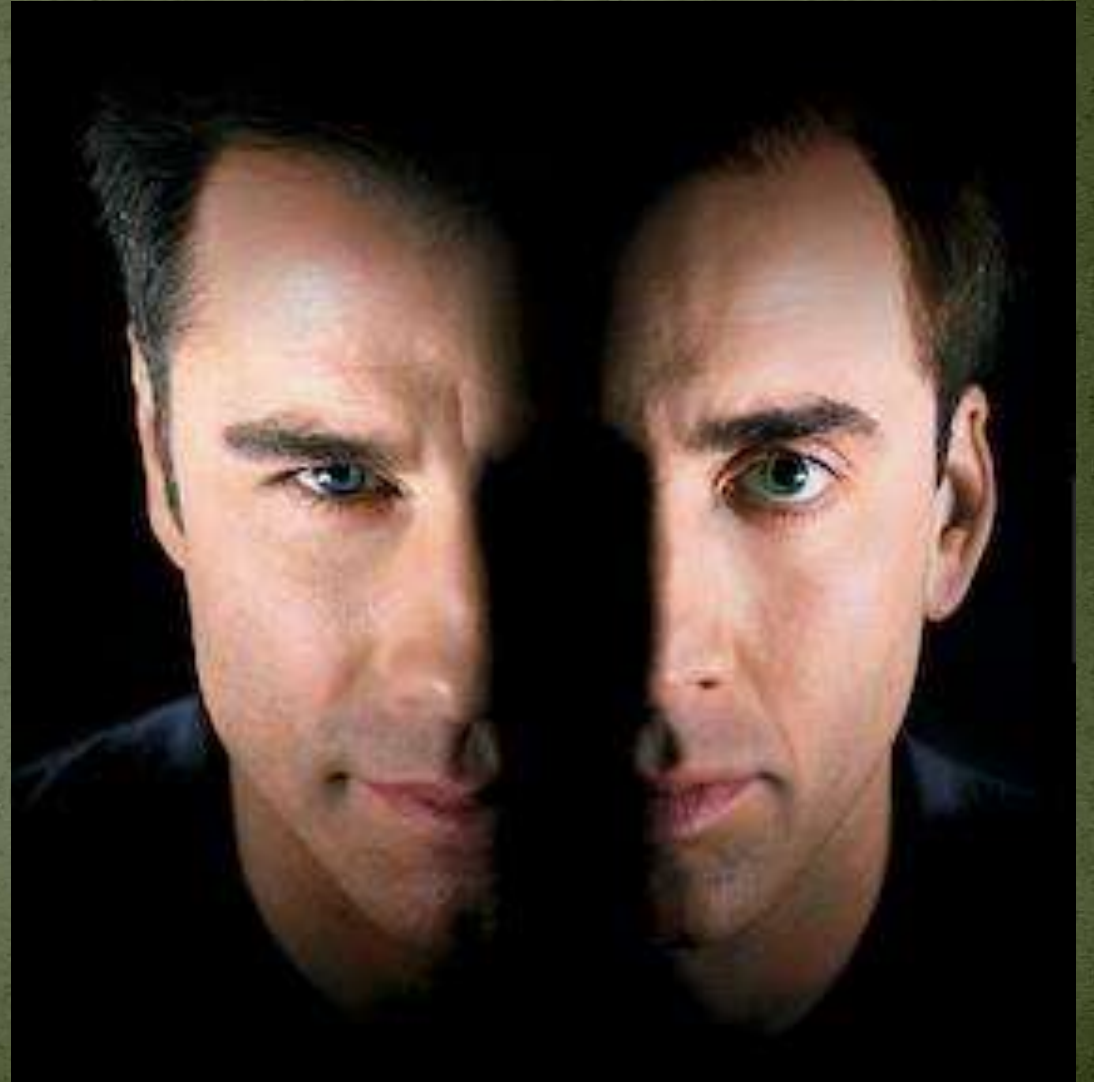
An applicant fails to disclose additional real estate debt or previous foreclosures.



Loan Fraud

Identity Fraud

An applicant alters their identity or credit history, or uses a false identity.



Loan Fraud

The Largest Uptick:
22 percent jump in Income
Fraud from 2017 to 2018:
Massachusetts, Colorado,
Utah, Nevada, and Kansas
saw the biggest increases
in this type of fraud.*

*as reported by Corelogic in October 2018



forgery

'fôrjərē/

noun

creation of a false written document or alteration of a genuine one, with the intent to defraud. Forgery consists of filling in blanks on a document containing a genuine signature, or materially altering or erasing an existing instrument. ...

Statutes define forgery as a felony.



Contract Fraud & Forgery:

- Electronic Signatures?
- Who actually signs?
- Who is allowed to sign?
- What if I sign for someone else?
- What if my clients only want me to send documents to one email address?
- What if I just correct a date or two?
- Can a licensed assistant sign for me?



Contract Fraud & Forgery:

Personal Property Agreement Form

relates to the Buy/Sell
not part of the Buy/Sell
helps prevent fraud
can help create fraud
sniff test is critical



Contract Fraud & Forgery:

Escalation Clauses

‘straw’ contract scam



Contract Fraud & Forgery:

Who Sends the contract to
the Lender?

Buyer?

Broker for Buyer?

Who sends the Inspection
Resolution to the Lender?

Buyer?

Broker for Buyer?



Contract Fraud & Forgery:

Amend/Extend vs

Inspection Resolution:

what's the difference?

what does DORE say?

Seller Concessions:

Is it okay for Buyer's to
receive Seller Concessions?



momentum

expedience

impudence



**WIRE
FRAUD**

A close-up photograph of a computer keyboard. The central focus is a red keycap with the words "WIRE FRAUD" printed in white, bold, sans-serif capital letters. The keycap is slightly raised and angled towards the bottom right. Surrounding it are several blue keycaps, some with white characters like "L", "M", and "76C7". The background is a blurred blue surface with faint white numbers and letters, suggesting a digital or technological theme. The entire image is framed by a dark, textured border.

vulnerability

gullibility

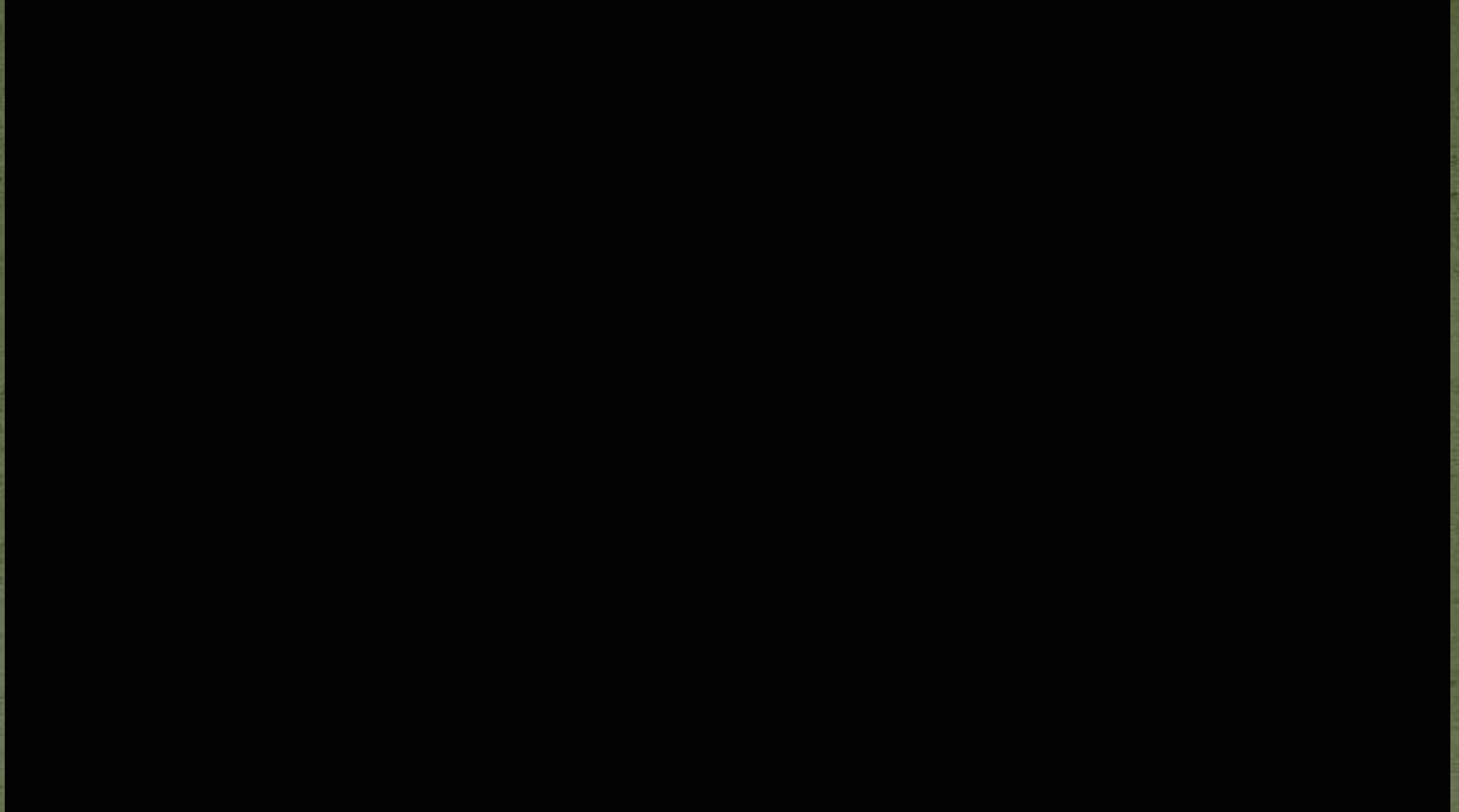
probability

EDUCATE YOUR CLIENT!

- Wire Fraud Disclosure
- Wire Fraud Video
- Wire Fraud Email
- Wire Fraud Text
- Wire Fraud Phone Call



Send This Video to All Clients!!



<https://youtu.be/em6viyrSGCc>

BEST PRACTICES:

- Provide a Wire Fraud Disclosure 2x
- Introduce Closing Agent on a conference call
- Confirm all numbers and don't accept instructions or changes via email or unfamiliar or blocked phone number
- Create verbal passcode to confirm identity (don't share via email or text).
- Confirm send/receipt of wire with client and title



A note about paying referrals
to non-licensees...

DON'T DO IT!

It's a RESPA violation!

NO SCAM