

Beware of Real Estate Wire Fraud Scams

Looking to buy or refinance a home? Make sure you are on the lookout for scammers taking advantage of homeowners during the closing process.

What Is Real Estate Wire Fraud?

Real estate wire fraud or mortgage wire fraud is a scam in which a hacker convinces you to wire your closing costs to a fraudulent account. These scammers are often successful because they gain access to legitimate email accounts, posing as Realtors, escrow officers, attorneys, or lenders. Through fraudulent email phishing and spoofing techniques, the hackers can obtain your personal information and use fake emails, phone numbers, or websites to contact you.

The goal of real estate wire fraud is to get your closing costs into an account that the scammer owns.

How Does Real Estate Wire Fraud Work?

The scammer will reach out to someone who is about to close on their house. Through a fraudulent phishing email, they will advise that the closing details have changed. They advise the buyer to wire the closing costs to a different account. The scammer creates a sense of urgency in the request and asks the person to do it immediately or they may lose the property. The buyer, not realizing they are part of a scam, wires the money as advised. It isn't until a few days later that fraud is detected when the real estate agent contacts the buyer to ask if they have their closing costs ready. The buyer says the money was wired. The agent confirms that the money was never received.

What To Do To Protect Yourself?

- ❖ **Know Your Closing Process** – Speak with your real estate agent or mortgage representative and discuss how the closing process will be completed. Ask about valid payment methods and if a wire transfer is used, make sure you ask how you should wire the money. Contact the agent directly over the phone to confirm the account number and name and the amount due before wiring funds.
- ❖ **Be Wary of Last-Minute Closing Changes** – Scammers will cause confusion and panic in order to convince you to go against your better judgment and wire money to a false account. Be wary of anyone who urges you to “act fast” or “send money now,” especially if the request is via email. Do not rush! Closing dates and details may change, but there is typically not a last-minute request that you send money to avoid the risk of losing the property. Always confirm the details!

If You Believe You've Been Scammed

- ❖ **Contact Your Financial Institution or Wire Transfer Company Immediately** – If you already sent the wire, request a wire recall immediately. Report the error quickly and explain what you think is happening to increase your chances of getting your money back.
- ❖ **File A Complaint** – File a report with [The FBI's Internet Crime Complaint Center](#) and the [Federal Trade Commission](#) as soon as possible.

Please note: This article is for informational purposes only.