

## Tips to Avoid Wire Fraud in Real Estate

**Industry-Wide Wire Fraud:** The Real Estate Industry is a target for electronic theft of money – including Wire Fraud, PayPal Fraud, ACH Fraud, Electronic Money Transmission Apps.. The hackers are getting to your buyers (you = real estate agents) early and just watching; and as soon as you go under contract, they send an email to your buyer that appears to be from you telling them "this is the title company we will be using and its standard practice now to send your part of the closing funds in early - so go ahead and wire your money NOW to the account attached." Boom. Money gone. Be mindful....and inform your clients. Banks will not "cover" wire fraud - once that money is gone, it is gone!

**Steps to Help Avoid Wire Fraud:** Remember to take the following precautions to help avoid wire fraud:

- **INFORM YOUR CLIENTS & CUSTOMERS ABOUT CYBERFRAUD!!!**
  - Never Trust Emailed Wire Instructions
  - Never Trust Texted Wire Instructions
  - Even Many Closing Attorneys are no longer using encrypted emails for wire instructions
- Never email wire instructions or any type of information / account numbers for the electronic transmission of money for a real estate deal (Earnest Money, Down Payment, Security Deposit, Rent, Mortgage Payoff, Sale Proceeds from one closing attorney to another, etc.)
- Pick up Wire Instructions from you Broker / Closing Attorney and hand them to your client when you meet with them in person so they will have them when needed
- Never Use the word "Wire" or "Wire Instructions" in the Subject Line of your email
- Never be the intermediary when giving Wire Instructions from the Closing Attorney to the Client
- Inform your client that they should CALL the attorney from a phone number that YOU or the Attorney give them by PHONE (or from the attorney's website) and NEVER trust a phone number they receive from an email (bad guys use "burner phones")
- If they get an email about a "change" or "confirmation" in wire instructions they need to call the phone number you gave them to call this verified number & confirm
- They are not to wire money until they first speak directly to the closing attorney's office on the verified phone number that you have given them
- Put Wire Fraud Disclaimer Warning as part of your Email Signature
- Have Client sign a CyberFraud Disclosure
- Tips from Closing Attorney, Andy Hartman of Hartman Law - Have the closing attorney send the wire instructions to the client by us Mail - NOT electronically & still have the client "Trust but verify"

**Agent Liability for Wire Fraud:** Agent & Broker Wire-Fraud Liability Waiver to be signed by ALL Maximum One Clients & / or Customers – does not have to be part of a contract but MX1 must have this document signed. Maximum One Greater Atlanta has an ADDITIONAL Cyberfraud insurance policy that covers agents because standard E&O Insurance policies do not.