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POTENTIALLY COSTLY REAL ESTATE SCAMS CONTINUE

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Real estate related scams, old and new, continue; and realtors, escrow agents, title companies and attorneys must continue to be vigilant.

A common scam scenario is the following: A wealthy foreign buyer is relocating to your area and wants to buy an expensive home. This buyer will pay cash for the full price of a house, sight unseen (except online). The buyer will send you a "certified" check for the entire purchase price. The buyer may make a "mistake" and "accidentally" send you a check for hundreds of thousands of dollars in excess of the purchase price. The check is "deposited" in your escrow, trust or other account. The buyer then "realizes" his or her mistake; or decides to put \$100,000 or \$200,000 less down against the purchase price and requests immediate wire of the excess funds to an identified bank account. Funds are wired to the account. The "certified" check then bounces. The wired funds are gone forever.

In these scams, it is common for the buyer to identify himself or herself as being from China, Japan, England or Canada (or any other foreign country).

The general gist of all of these scams is that the scammer wants funds to be wired out of the victim's account before the incoming funds fail to clear. Funds being "available" or "accessible" does not mean they have fully and completely cleared. A best practice is to always make sure your financial institution confirms in writing that funds are real and cleared.

Two clichés apply here: If it seems too good to be true, it probably is; and better safe than sorry.



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