



STEALING THE HOUSE FROM YOU

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Taking some simple precautions can help you slam the door on **mortgage fraud!**

Most people protect their credit cards from fraudulent activity by keeping their cards secure.

However, many homeowners are unaware of the possibility of fraud against their homes.

While it seems highly unlikely that a thief could steal the house out from under you, fraud involving property titles is becoming more and more common.

The Canadian Institute of Mortgage Brokers and Lenders (CIMBL) estimated **mortgage fraud** at approximately \$300 million per year, nationally.

PROTECT YOURSELF WITH "TITLE INSURANCE"

While **mortgage fraud** is growing, people about to purchase a home and those who already own their home can protect their title against fraud by purchasing title insurance.

Fraudsters have a number of methods of obtaining bogus mortgages against properties. One sample target profile is a high worth individual with no existing mortgage.

The thief assumes the property owner's identity so they can apply for and secure a large mortgage amount, based on the real owner's credit rating and property value.

Once the mortgage proceeds are secured from a lending institution, the funds are directed to a third party rather than to the registered property owner.

A criminal can often complete the entire transaction without the existing homeowner's knowledge, through false identification and forged documents.

THE BURDEN OF PROOF FALLS ON THE HOMEOWNER

Once a thief commits mortgage or title fraud, the burden falls on the original homeowner to prove the deception.

This can mean expensive legal fees and hassles before the title is restored to the rightful owner.

Homeowners in Canada have had to pay tens of thousands of dollars in legal fees to restore the title on their property after they were victims of fraud.

"When a fraudulent charge is placed on your credit card, the bank allows you to challenge the amount and suspend payment until there is an investigation," says Susan Leslie, vice-president, **First Canadian Title**, a leading title insurance company based in Oakville, Ont.

"There is no similar system for real estate when someone fraudulently charges a mortgage against your property. The onus is on the homeowner to prove the crime and it can be very costly to restore your title."

Until recently, title insurance could only be purchased when buying a home.

Earlier this year, **First Canadian Title** introduced the concept of title insurance policy for existing homeowners and offers the same protection.

"For homeowners, title insurance is peace of mind in case they are targeted by a criminal," says Leslie.

"Discovering you no longer own your home creates anxiety, frustration, expense and hardship. For a one-time premium, title insurance protects your right of ownership for as long as you own your home.

For information, contact your lawyer, mortgage broker, or www.firstcanadiantitle.com.

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