

Beware fraudsters stealing homes: You can lose your house without even realizing it

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IMAGES



Arlen Redekop, The Province

Susan Lawrence was trying to sell her home, but had it stolen instead. The 55-year-old widow said she never imagined that a "For Sale" sign on her front lawn would make her the victim of mortgage fraud. Now she is cautioning others to learn from her troubles.

The Toronto woman was in Vancouver yesterday to raise awareness of mortgage fraud, which is estimated to cost Canadians between \$300 million and \$1.5 billion a year.

Lawrence said she lost her 100-year-old Victorian home in Toronto last year when identity thieves assumed her identity. They forged her signature to sell her home to an accomplice, discharged her small mortgage and took out a new one for almost \$300,000.

They pocketed the money, defaulted on the mortgage and disappeared.

Lawrence was left with the choice of paying off the debt or face eviction from her own home.

"I learned a heck of a lot in the last year," said Lawrence. "It took me close to a year and \$50,000 to get my house back."

As part of Fraud Awareness Month, organized by the Consumers Council of Canada, "Stolen/Not For Sale" signs were staked out in front of Vancouver homes yesterday to raise the profile of land-title fraud.

Bill Huzar, president of the Consumers Council of Canada, said one of the best ways to prevent real-estate swindlers from assuming your identity is to protect your private information.

He also suggested that land-title insurance -- which costs about \$350 for a house assessed at \$500,000 -- is one of the best ways to protect yourself.

"The only way I could've stopped this was to have title insurance," echoed Lawrence.

After a year-long struggle that took her to the Ontario Court of Appeal, Lawrence finally got the fraudulent mortgage dismissed and won her home back.

No arrests have been made.

Lawrence says people need to be made aware of the problem because there is very little recourse available for homeowners. They first have to prove they are victims and that banks did not do due diligence before they can even make a claim to the provincial government's land-title assurance fund, which is financed by land-title fees.

First Canadian Title, a company that sells title insurance, estimates the average cost of a single real-estate fraud is \$300,000.

There are no statistics that track the number of mortgage frauds in B.C., although it's estimated to be a relatively small number, said Ken Fraser of the Financial Institutions Commission of B.C.

- For more information, visit www.ProtectYourTitle.com.

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TIPS FROM THE PROS

The Canadian Institute of Mortgage Brokers and Lenders offers the following tips:

- Do not supply personal information unless you know the person you're dealing with.
- Regularly ask credit bureaus for your credit rating.
- Keep up to date with all credit and financial reports.
- Rely on professional realtors when buying or selling a home.
- When closing a mortgage application, check its accuracy.

Illustration:

• Colour Photo: Arlen Redekop, The Province / Susan Lawrence of Toronto was a victim of mortgage fraud. One of the little-known aspects of home purchase is the availability of land-title insurance. It costs around \$350 for a house assessed at \$500,000.

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