

# Hot Topics in Broker Risk Reduction

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## 1. CYBER FRAUD

- a. **Background:** Criminals are currently hacking into email accounts and using information in those accounts to dupe homebuyers into a fraudulent wire transfer. These hackers send homebuyers an email that is spoofed to look like it comes from the real estate agent, title representative, or attorney involved in the transaction. The email is sent right before closing and claims that there has been a last minute change to the wiring instructions. Following these new instructions, the homebuyer will wire funds directly to the hacker's account.
- b. **Risk Reduction Tips:**
  - i. Alert homebuyers of this fraudulent scheme. Many brokers are requiring signed disclosure statements to that effect.
  - ii. Avoid sending wire instructions (and any sensitive financial information) via email.
  - iii. Instruct homebuyers to call wire recipient immediately prior to sending, using an independently-verified phone number.
  - iv. Use strong email passwords and change them regularly.
  - v. Contact law enforcement immediately if fraud is suspected.
- c. **NAR Resources:**
  - i. *Wire Fraud Alert:* <http://www.realtor.org/videos/wire-fraud-alert-for-buyers>
  - ii. *FTC – NAR Warning:* <https://www.consumer.ftc.gov/blog/scammers-phish-mortgage-closing-costs>
  - iii. *Urgent Alert:* <http://www.realtor.org/articles/urgent-alert-sophisticated-email-scams-targeting-the-real-estate-industry>
  - iv. *NAR Window to the Law on Cyberscams:* <http://www.realtor.org/videos/window-to-the-law-cyberscams-and-the-real-estate-professional>