

Types of mortgage fraud

Mortgage fraud has become an increasing problem in recent years.

Identity Theft:

Identity theft is when someone fraudulently gathers your private information and uses it to impersonate you. Your identity is used to borrow money (through a mortgage or loan), obtain credit cards, buy merchandise and run up debts that are not repaid.

Title Theft:

Title theft is when someone registers false documents that fraudulently transfer the ownership of your property into their name. They fraudulently discharge any existing mortgage and then, appearing to be the owner of a mortgage-free home, obtain new mortgage financing, and pocket the mortgage proceeds.

This is also referred to as 'stealing home'. The legitimate owner usually has no idea that the ownership of the property has been changed and

that their home has in effect been 'stolen' from them. They may first hear of it when the new lender tries to collect the due payments on the new mortgage that has been fraudulently set up.

How to Avoid Identity Theft

Here are some overall tips that everyone can use to help prevent identity theft.

- 1.** Keep information safe. Carry a bare minimum of information and personal ID in your wallet. Keep your SIN card in a safe place at home.
- 2.** Don't give out personal information in person, online, or on the phone unless you are sure that you know who you are dealing with and know the information will be used for legitimate purposes.

- 3.** Don't use obvious numbers such as your birthdate or telephone number for your ATM password.
- 4.** Check your bank and credit card statements regularly for unknown charges or withdrawals. Notify the financial institution immediately if you spot transactions that you haven't made.
- 5.** Shred documents before putting them out for collection.
- 6.** Collect your mail regularly and in person.
- 7.** Check your credit report every year to make sure the information is correct.
- 8.** Never sign a blank document or a document containing blanks.

Source: Genworth Financial



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