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For Immediate Release

New Study Shows Increase in Seller Impersonation Fraud

28% of title insurance companies experienced at least one fraud attempt in 2023

WASHINGTON, D.C., Aug. 5, 2024 – Seller impersonation fraud is a growing concern in the real estate industry. In 2023, 28% of title insurance companies experienced at least one seller impersonation fraud attempt, and in April 2024 alone, two in 10 title companies experienced attempts.

Seller impersonation fraud affects both title insurance companies and their customers. This type of fraud occurs when fraudsters impersonate property owners to sell property they do not own. Because fraudsters typically target non-owner-occupied properties, it can take months or years for the actual property owner to discover the fraud.

However, [a new study](#) conducted by ndp | analytics noted that the title industry is prepared. Nearly all title companies surveyed (91%) currently provide or plan to provide education and resources to train employees on fraud. These actions are critical to combatting all types of fraud, including seller impersonation fraud, wire fraud and elder financial exploitation.

The study—which highlights responses from 783 title companies across the United States—also showed that seller impersonation fraud often is caught before the real estate closing is completed. Forty-six percent of companies said identifying and preventing fraudulent transactions before closing was at least somewhat common, compared with 26% after closing. In 2023, 16% of title companies that had seller impersonation fraud attempts paid claims.

“Title insurance offers protection when seller impersonation fraud does occur,” said American Land Title Association (ALTA) CEO Diane Tomb. “Both the ALTA Owner’s Policy and ALTA Homeowner’s Policy cover buyers who fall victim to forgery before a property purchase. Additionally, the ALTA Homeowner’s Policy protects the owner against a third party who fraudulently transfers the property in the future.”

According to the study, in the 46 states where regulators have approved enhanced policies, 42% of customers choose policies that protect their property from future forgery.

Other key takeaways from ndp’s research include:

- **Seller impersonation fraud is a growing problem.** 28% of title insurance companies experienced at least one seller impersonation fraud attempt in 2023; 19% faced attempts in April 2024 alone.
- **Most title insurance companies have adopted tools and resources to fight seller impersonation fraud.** Nearly all companies currently provide or plan to provide education and resources to train employees on fraud (91%), and most utilize ALTA resources (69%).
- **Common characteristics of seller impersonation fraud include notarization issues and use of a property owner's legitimate non-public personal information.** Per the study, the most common notarization issues were fake notary credentials (43%) and use of real notary credentials without permission (31%).
- **Red flags can include vacant land transactions, requests for use of an unknown notary and all-cash transactions.** Requests for all-cash transactions and mail-away signings using an unknown notary carry a higher risk of fraud: 88% and 86% of companies identified these actions, respectively, as at least somewhat common red flags.

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About ALTA

The [American Land Title Association](#), founded in 1907, is a national trade association representing more than 6,000 title insurance companies, title and settlement agents, independent abstracters, title searchers and real estate attorneys.