

**Alert!**

Thursday, August 30, 2012



**Alert!**

### Fraudulent Loan and Short Sale Scam

We have recently been notified of a new type of fraud involving short sales. The elements of the fraud are described below:

1. There is an existing first lien securing a loan from an institutional lender.
2. A new fraudulent deed of trust is recorded. The fraudulent deed of trust has no title company identifiers and appears to be uninsured. The lender shown on the fraudulent deed of trust is a private lender not an institutional lender.
3. A fraudulent release of the first lien deed of trust is recorded.
4. A few months after the fraudulent deed of trust is recorded, we are asked to insure a short sale where the purported new lender on the fraudulent deed of trust is accepting less than the amount owed.
5. The lender holding the first lien deed of trust, which was actually never released, starts foreclosure.

The fraudulent deed of trust is often signed by the owner as part of a foreclosure rescue scam, but of course there is no actual loan and the first lien deed of trust was never paid.

The release is a very good forgery and gives the illusion that the fraudulent deed of trust was a refinance of the first lien deed of trust. There are **red flags** that can help you identify this type of fraud...

»Continue reading, [here](#).

Should you have any questions, please contact our  
Legal Department by calling 888-678-1700.

This **Alert!** is being issued for the sole purpose of meeting the Company's predetermined underwriting criteria and in no way should be construed as slanderous or defamatory material against any of the parties named herein.

[www.oldrepublictitle.com/txnational](http://www.oldrepublictitle.com/txnational)

A red rectangular button with a white border, containing a white right-pointing arrow icon and the text "FORWARD TO A FRIEND" in white, uppercase, sans-serif font.

888-678-1700