

WHAT IS WIRE FRAUD?

What is a Wire?

A wire, or wire transfer, is an electronic transfer of money across a network from one bank or credit union to another. With a wire, no physical money moves between bank locations, but people or entities are able to “wire” money to another person or entity as long as they have a bank account. Wires are typically used in most real estate transactions because funds are received more quickly (usually the same day), and there are no holds placed on the money once received.

What is Wire Fraud?

Wire fraud typically involves a hacker gaining access to an email account and posing as a trusted party involved in your real estate transaction. This could be someone pretending to be a real estate agent, loan officer, title agent, or even an attorney. Once the hacker has access to a trusted email account, the hacker sends an email from that account or from a similar or spoofed account with information related to your transaction, including wire instructions for your closing funds.

If you react to that email, your funds are sent to an account controlled by the hacker in some manner. Once receipt of the money is confirmed, the hacker immediately withdraws the funds from that account using multiple transfers to accounts normally outside the United States. Once these transfers occur, the likelihood of recovery is small, if at all.

What are Wire Instructions?

Wire instructions are the directions you follow when sending money electronically to another person or entity. In the case of your home purchase, the funds are typically sent to your escrow agent.

Wire instructions typically include:

Bank Name and Address

Bank ABA Number

Bank Account Number

Account Holder’s Name Reference Information (in real estate transactions, this is usually a file number)



Inquire before you wire. **Be WireSafe.**

WHAT CAN I DO TO HELP KEEP MYSELF AND MY PURCHASE WIRESAFE?

There are steps you can take to help protect yourself. Wire fraud is real and home buyers and sellers are the biggest targets. For this reason, we have developed the WireSafe program to help educate customers on wire fraud. Be WireSafe by following these 4 steps every time.

CALL, DON'T EMAIL

Confirm all wiring instructions, including specific banking information, by phone before transferring funds. Use the phone number for your closing agent/escrow officer provided on their website or from a business card. Never rely on phone numbers in the email communications.

BE SUSPICIOUS

It's not common for title companies to change wiring instructions and payment information.

CONFIRM EVERYTHING

Ask your bank to confirm the account number and the name on the account before sending any wire.

VERIFY IMMEDIATELY

Call your closing agent/escrow officer to confirm the funds were received.