

Mortgage Fraud

This section contains information gathered from Sagen and the Real Estate Council of Alberta. For more information visit their websites at: www.sagen.ca and www.reca.ca.

Consumer Tips to Avoid Mortgage Fraud

One of the best preventative measures is to work with realtors, brokers and lawyers that you trust and have known for a long time. If this isn't possible, rely on the expertise of an accredited and licensed real estate expert who knows your area well. Check with trusted family and friends for referrals.

The following tips will also help you avoid mortgage fraud:

- Consult public real estate websites to review property listings in the community where the property is located. Compare features, size, and locations to establish if the asking price seems reasonable.
- Get independent representation for your purchase. If the seller objects, consider it a red flag.
- Check to make sure your representative is a licensed real estate agent by calling the Saskatchewan Real Estate Commission at 877.700.5233 or performing a search on their website at: www.srec.ca/ (see: Online transactions, Public Inquiries).
- Ask your independent representative to provide you with a comparative analysis of the property
- In the offer to purchase, include the option to have the property appraised by a designated member of the Appraisal Institute of Canada.
- Insist on a home inspection to guard against buying a home that has been cosmetically renovated or formerly used as a grow house operation.
- Search the title at www.isc.ca to confirm the current owner and identify any writs (due to delinquent taxes, etc); a historical search can identify title transfer history.
- Be very suspicious if the seller or investment adviser discourages you from seeing or inspecting the property you are offering to purchase.
- Ask to see receipts for recent renovations.

- When buying a home, beware of a real estate agent or mortgage broker who has a financial interest in the transaction.
- Beware if someone encourages you to put false information on a mortgage application in order to obtain a loan. This is illegal.
- Never let anyone pay you to use your personal information to apply for a mortgage or other credit.
- Never apply for a mortgage amount that is much higher than the price on the offer to purchase.
- Never sign a blank document or a document containing blanks.
- Never sign a document that you don't understand. Ask questions until you are clear about what you are signing, or bring a trusted friend to help explain and/or witness the document.
- When you make a deposit, ensure your money is protected by being held "in trust" by the lawyer do not pay the seller directly.
- Speak to your lawyer about obtaining title insurance to cover you against fraud.
- If selling, be suspicious if someone tells you to price your home well above market value.