

Real Estate Fraud & Information Program

Some Common Warning Signs of **REAL PROPERTY FRAUD**

✓ **Building Permits Are Denied:** Building permits are denied for many reasons, most of which do not involve fraud. However, in cases of *undeveloped land fraud*, a seller of land may represent that the property has access to water, roads and utilities, and is ready to build on. Later, when you apply for permits, you learn that the seller's promises were false.

✓ **Property was Misrepresented to You:** In cases of undeveloped land fraud, you may discover that the lot you purchased does not comply with subdivision laws and cannot be used as you intended. You may also learn that the property you were shown is not the property described on your land sale contract or deed. To protect yourself, obtain title insurance before you buy and consider having purchase documents recorded with the County Registrar-Recorder.

✓ **A Missing Property Tax Bill:** There may be a harmless explanation, but a missing tax bill can also be the first sign of a *home equity fraud*. In home equity fraud, your signature is forged on a deed and the equity in your home is stolen through loans taken against your property. Receiving mortgage documents or payment books for loans you never applied for is another tip-off to home equity fraud.

✓ **You are Facing Foreclosure:** When you're in foreclosure, you receive dozens of letters from foreclosure consultants and equity purchasers who promise to stop the foreclosure by purchasing your home, or by getting you a home loan. If your home is worth more than you owe on it, they may have you sign your home over to them on the promise that they will get you a loan. Once your home is in their name, they take out loans and keep the proceeds. Some have you "rent" your own home from them, promising they will sell the house back to you later. This never happens. Instead, they keep your rent payments until your home is lost to foreclosure.

✓ **You are Notified That a Property Document has been Recorded:** To protect the public, the Registrar-Recorder will begin mailing property owners copies of recorded documents that impact ownership of their property. Materials mailed to property owners will provide information on how to obtain free assistance.



For more information or to report a fraud, call:

The Los Angeles County Department of Consumer Affairs
Real Estate Fraud and Information Program

(800) 973-3370