

TODAY IN FLORIDA REAL ESTATE

A Real Estate Newsletter for Florida Property Owners and Realtors

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Don't be Spoofed Out of Your Cash to Close!

Legend has it that Leprechauns, tiny bearded trickster fairies, have pots of gold which can often be found at the end of a rainbow. How did they get these plentiful pots? Perhaps by mischievous and menacing means. Today, title companies and law firms are seeing an increase in the number of ways that devious people – modern day leprechauns – are trying to steal the cash needed to close real estate transactions, specifically by using **computer spoofing**.

Q: What is “cash to close” and why must it be wired to my title company?

A: Cash to close is the balance needed to close a real estate transaction. If you are buying a house and are obtaining a mortgage, then it is the purchase price, plus any applicable fees or closing costs, less your deposit and your mortgage amount. If you are buying with all cash, then cash to close is simply the difference between the purchase price, plus applicable fees and closing costs, and your deposit. These sums can be in the hundreds, thousands, or even millions of dollars, and -- be wary -- fraudsters have their eyes on your pot of gold! Because the exact amount of cash to close can change up to the very day of closing, title companies usually cannot provide that final figure until the day of the scheduled closing. Given the last-minute nature of the request, title companies can accept cash to close funds only in the form of a wire transfer.

Q: What is “spoofing” and what can I do to avoid being a victim of spoofing?

A: Spoofing is when a person or program successfully masquerades as another by falsifying data and sending a misleading email to gain an illegitimate advantage. In the real estate context, fraudsters have impersonated title agents and attorneys by initiating an email message requesting that buyers transfer cash to close according to “new” or “amended” wire instructions. The requests usually require that the funds be sent by the buyer immediately. Given that the wire transfers are typically requested at the very last minute, people can understandably believe these requests, and run the risk of wiring large sums of money directly to these modern-day leprechauns.



To avoid this nightmare scenario, always call your title agent to confirm wiring instructions before sending any wire. The title processors and attorneys at Empire Title are happy to confirm our wire instructions and encourage you to call us with any questions about suspicious requests. Wishing you real luck in all your real estate endeavors, not just the luck of the Irish!