



1



2



3

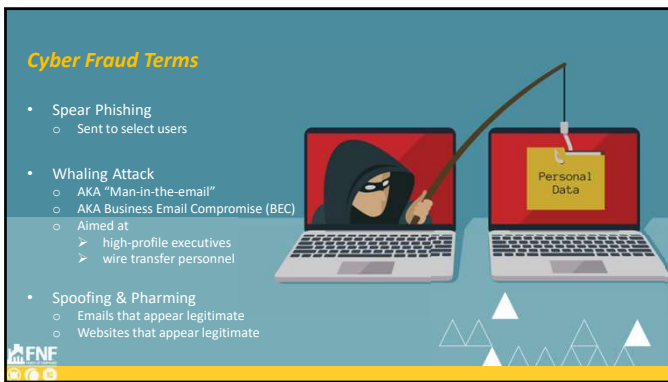


WHAT IS PHISHING/
WIRE FRAUD?

REPORT ALL PHISHING EMAILS AND FRAUD ATTEMPTS TO THE FBI at [IC3.GOV](https://www.ic3.gov)

FNE

4

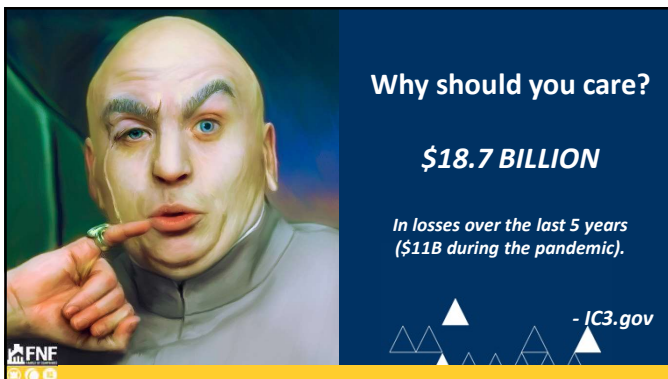


Cyber Fraud Terms

- Spear Phishing
 - Sent to select users
- Whaling Attack
 - AKA "Man-in-the-email"
 - AKA Business Email Compromise (BEC)
 - Aimed at
 - high-profile executives
 - wire transfer personnel
- Spoofing & Pharming
 - Emails that appear legitimate
 - Websites that appear legitimate

FNE

5



Why should you care?

\$18.7 BILLION

*In losses over the last 5 years
(\$11B during the pandemic).*


- IC3.gov

FNE

6

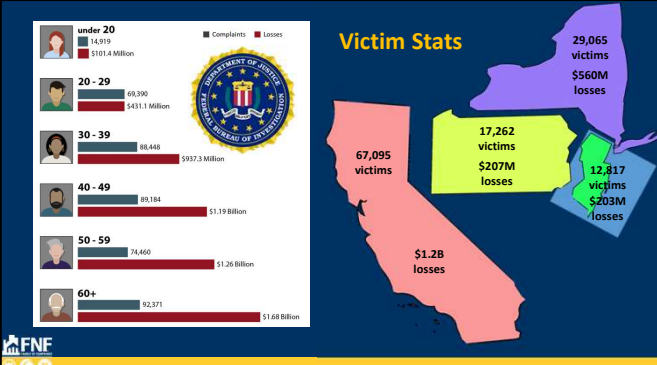
LET'S BREAK SOME OF THAT DOWN.....

- 44% of all internet crimes are Phishing or BEC
- 58% of malware attack victims are small businesses
- 92.4% of malware is delivered via email
- From 2019 to 2021, BEC accounted for \$6+ billion in reported losses
- From 2019 to 2021, Phishing accounted for \$15 Million in reported losses
- 12K victims of real estate wire fraud in 2021 (down from 19K) with \$350 Million in losses (up from \$213 million)




7

Victim Stats



Age Group	Complaints	Losses
under 20	14,810	\$101.4 Million
20 - 29	69,390	\$431.1 Million
30 - 39	88,448	\$937.3 Million
40 - 49	89,184	\$1.19 Billion
50 - 59	74,460	\$1.26 Billion
60+	92,371	\$1.68 Billion

Region	Victims	Losses
California	67,095	\$1.2B
Florida	17,262	\$207M
Illinois	12,817	\$203M
Other	29,065	\$560M



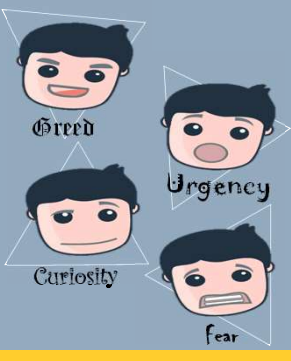

8

Greed
Phishing emails often dangle a financial reward of some kind if you click a link or enter your login information. If an email offers you something that seems too good to be true, it probably is.

Curiosity
People are naturally curious, and phishers take advantage of this by sending emails that promise to show us something exciting or forbidden.

Urgency
If an email provides a strict deadline for performing an action ... be suspicious. Phishing emails will try to fluster recipients by creating a sense of urgency.

Fear
Scaring recipients is a common tactic in phishing emails. Emails that threaten you with negative consequences or punishment should be treated with suspicion.

9



Two Mistakes

1. Use of unsecured email by at least one of the parties in a transaction, i.e. buyer, seller, attorney, real estate agent(s) and title agency.
2. No phone calls were ever made to verify or confirm email requests

FNE
FIRE

10

Oh brother where art thou?

- Cash deal; the sellers are brother and sister.
- Sister attends closing to receive her proceeds;
- Brother does not and expects a check be mailed
- Post-closing email request to wire funds to brother's account
- Clerk says no; brother becomes belligerent.
- Agent relents and wires \$104,829
- The brother wasn't the real brother

Dude where's my house?


- Buyer sold old house in the morning
- Proceeds to be used to purchase in the afternoon.
- Buyer's counsel had his email spoofed
- "Attorney" sent buyer changed wire instructions
- Buyer provided wire instructions to settlement clerk
- Buyer's \$75,000 down-payment diverted
- Buyer urgently needed the money and let their guard down.



FNE
FIRE

11

WHAT SHOULD YOU DO?



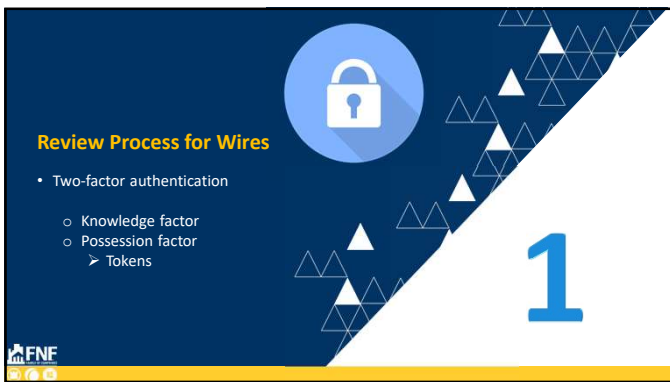
1. Call, don't email
2. Be suspicious
3. Confirm it all
4. Verify at once
5. Forward, don't reply

FNE
FIRE

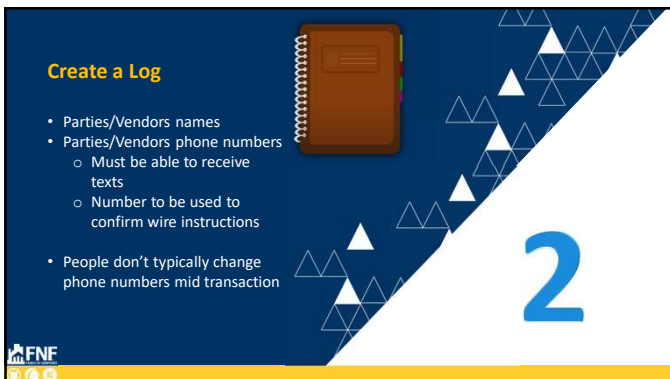
12



13



14



15

Use Secure Email




- Avoid free web-based email
 - Hotmail.com
 - Outlook.com
 - Gmail.com
 - Yahoo.com
 - Aol.com
- If you must use, turn on two-factor authentication to login
- Corporate email is safer

3




16

Get an Agreement




- Buyer and seller agree to:
 - Preferred method of communication
 - Method of funds transfer
 - Check
 - Wire
 - Sack of cash
- Request for change may indicate fraud

4




17

Watch your Closing



- Transaction with large payouts
 - Cash out refinance
 - sales with large payout
- Carefully examine the payoff
 - New scam – forged payoff


5




18

Call and Confirm

- Follow the agreement
 - Call approved parties
 - Use known phone numbers
- For banks & vendors
 - Check numbers from prior files
 - Look online for another number
- Call intended recipient to confirm receipt




6




19

Cyber-Hygiene

- Keep anti-virus up-to-date
- Do not click suspicious links
- Use strong passwords
 - Password generator
 - Password vault
- Watch for phishing emails with embedded links




7




20

Slow Down

- Keep calm; stay in control
- Manage expectations
- Rushing is stressful and you end up making mistakes



8





21

Report all Phishing email and fraud attempts to the FBI at IC3.gov

9

- 24-48 hours to report to have maximum success
- Contact your bank immediately
- Contact recipient bank
- Contact FBI – “Activate the Financial Fraud Kill Chain”
- Notify the parties

22

Pay Attention to Detail COVID-19 Fraudulent Email

10

From: Escrow Officer <escrow.officer.fnf@gmail.com>
 Date: Mon, Jul 8, 2020 at 11:28 AM
 Subject: 8036 Lavender St, Houston, TX 77036-5739 - Closing Update
 To: buyer 2> <buyer2>

Good morning Buyer 1 and Buyer 2,

We are glad to inform you that we have also executed all files for this transaction so we are all clear to close on Wednesday July 8th at our office. The wiring instructions sent to you guys last week was for closing funds below \$50,000. Kindly find attached the wiring instructions for the balance of closing funds above \$50,000. Please make a wire transfer in the amount of \$89,163.94 (including closing costs) payable to the wiring instructions attached.


In accordance with our updated Title policy due to the covid-19 pandemic all closing funds must be wired into our closing Trust account attached 2 business days prior to closing so we will advise for closing funds to be wired today now that your loan is in the funding stage & in accordance with the updated Title policy, if you can get this done today it will be perfect & we will be able to close as scheduled.

Please take note that title does not accept Checks & ACH transfers as forms of closing payment. Confirm the receipt of the wiring instructions and once funds have been wired, kindly call me to confirm once funds have been wired so we can update our closing file for this transaction. I will also need you to forward me a copy of the wire transfer.

Please feel free to call or email me if you have any questions and I will gladly assist you. We look forward to a successful closing & once again congratulations on your new purchase.

Thank you for choosing Title Company and giving us the opportunity to handle this transaction for you. We hope we can be of service to you in the future.

Thank you
 Sincerely,
 Escrow Officer



23

nationalagency.fnf.com/cybersecurity

STOP Did You Get a Second Mortgage Payoff Request?
 Did You Get a Second Set of Wiring Instructions?

No transaction is safe - No one is shielded from becoming a victim - Assume it is fraudulent until you prove otherwise

WHAT MONEY IS AT RISK:

- Sending or Transferring commercial closing funds
- Sending or Transferring residential closing funds
- Sending or Transferring mortgage payoff funding
- Sending or Transferring earnest money deposits
- Sending or Transferring real estate commissions

HOW YOU & YOUR LOANMANS CAN BE PREPARED:

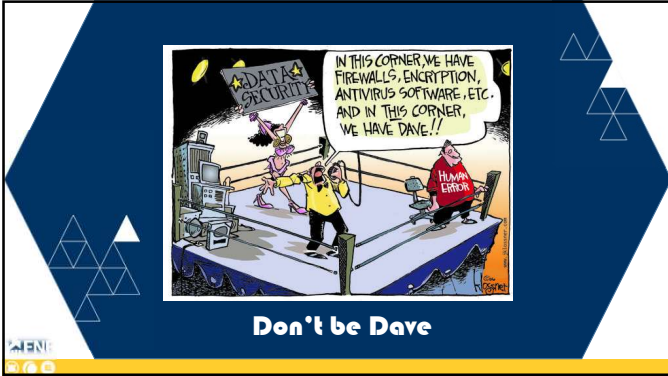
- Encrypt email accounts
- Secure databases & internet access
- Vetted vendors, platforms and applications
- Metrics and tested rapid response action plan
- Documented process for reviewing and sending outgoing payments

WHAT CAN YOU DO:

- Use the phone and include phone numbers from a different source to verify payoffs and wire transfer instructions
- Have a second person review and request a secondary agent or outgoing wire that reviews the information before releasing the wire
- Contact the bank and all parties immediately at the last of any time or possible other security based or attempted wire diversion
- Follow up with vendors on receipt of wiring funds and payoffs



24



25



26



27
