REAL ESTATE SCAM PREVENTION

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PREDATORY WHOLESALING

- This is when a party, instead of a purchase agreement, has you sign a right to sell contract which allows them to advertise and sell your property to a third party. They will promise you a set amount but will then sell the property to that third party for a substantial amount more. On average, the cases we have seen were $40,000 to $170,000 in lost property equity.

IS THERE LEGAL WHOLESALING IN NEBRASKA?

- YES.

- A Licensed Real Estate Agent can wholesale or assist a wholesaler, but they have strict guidelines and must fully disclose everything to you as the seller. Meaning that you would be aware of the process, their projected profit, your property valuation etc. prior to entering any contract.

HOW CAN I AVOID PREDATORY WHOLESALING?

- Be wary of anyone who offers you a purchase of your property without looking at the property. The price they are offering will likely be far below the true market value of the property.
- They will target people with tax issues or liens, financial / medical debt issues, foreclosure issues, etc.

HOW CAN I AVOID PREDATORY WHOLESALING?

- In the beginning, they will present themselves as a caring party who is just wanting to help you to get out of your current situation quickly with guaranteed payment.

- What most do is promise a purchase in a specific amount of time, but normally what is occurring is they are marketing your property for sale to another party for a substantial increase. These contracts usually have multiple allowances for the wholesaler to void the contract. However, there will be little or no statements allowing you to void the contract.

- The wholesaler will commonly have a very low earnest deposit of $50.00-$100.00.

HOW CAN I AVOID PREDATORY WHOLESALING?

- If the wholesaler fails to bring another party to purchase the property by the agreed upon closing, they will not close and will tell you that the contract needs to be extended or they may just void the contract. This leaves you without the promised payment.
- If you attempt to cancel the contract, the wholesaler will threaten legal action and attempt to intimidate you to consummate the sale. The wholesaler may use the contract to place a lien on the title to the property to interfere with you selling your property to another party. You cannot be forced to sell your property solely because of Purchase Agreement or Right to List Agreement in Nebraska.

HOW CAN I AVOID PREDATORY WHOLESALING?

- **Don’t** sign a contract until you have had time to fully review and read it. Contact the Nebraska Real Estate Commission if you have any questions or concerns before entering into any agreement at 402-471-2004.
- **Don’t** sign an agreement that appoints someone as an “Attorney in Fact” unless you fully understand what the contract is allowing. These contracts allow the party to act on your behalf regarding the sale of the property.

HOW TO AVOID BEING SCAMMED WHEN BUYING OR RENTING PROPERTY

- View the Property in Person – Don’t transfer money or sign a lease beforehand.
- Verify the Real Owner – Use the local assessor’s information to verify the owner or contact the Real Estate Commission for assistance.
- Use Secure Payment methods- Don’t wire money or pay with crypto currency for a security deposit.

HOW TO AVOID BEING SCAMMED WHEN BUYING OR RENTING PROPERTY

- Don’t Feel Pressured – Be wary of immediate pressure for action to sign a lease or make a payment without proper verification.
- Protect your personal information – Never give out person information without verifying who you are communicating with.

REAL ESTATE SCAM
RED FLAGS

- Untraceable Payment Method – CashApp, Venmo, Zelle, Chime, Cryptocurrency, or prepaid gift cards.
- High Pressure- Demands for immediate action. Signing contracts quickly without offering time to review and without going over the contract with you thoroughly.

REAL ESTATE SCAM
RED FLAGS

- Refusal to Meet- Out of Country, in the hospital, etc.
- Verify Discrepancies – Much lower price that normal- photos have watermarks of other sites or agents.

PAUSE-CHECK-PROTECT

- **PAUSE-** Was this expected? Is it too good to be true? Does it feel pressured to act quickly?

- **CHECK** – Research the sender. Don't respond to the number that contacted you or that was provided. Verify you are contacting the actual person or company in question. Read contracts closely. Discuss it with family / friends. Contact the Real Estate Commission with any questions.
- **PROTECT** – Keep personal information safe. Don't share passwords, banking information etc.

WHAT IS TITLE FRAUD, AND HOW IS IT DIFFERENT FROM OTHER SCAMS?

- Title fraud, or deed theft, is when someone illegally transfers the title or deed of your property without your knowledge, often using forged documents or fake IDs. The criminal's goal is to steal your money by making it seem like someone else owns your property or that you transferred your property to someone else. When left unaddressed, title fraud can result in foreclosure or eviction—even if you still live in the home.

HOW CAN SOMEONE STEAL MY HOME'S TITLE?

- A scammer might forge your signature to transfer the property's title to themselves using a fake ID and file it with the local recorder's office. This makes it appear that you willingly transferred over the title of your home to them, and they now own it. Another scenario is where a scammer attempts to list and sell a property or take out a loan against it, claiming to be the owner. Fraudulent filings can be difficult to spot unless someone is actively monitoring public records.

WHAT ARE SOME RED FLAGS THAT COULD INDICATE TITLE FRAUD?

- Scammers often target properties that are unoccupied or do not have a mortgage, but there are specific behaviors that can signal something is wrong. Warning signs include a seller who is offering a vacant property for significantly less than its market value, communicates only through electronic means while avoiding phone or video conversations, or insists on using their own remote notary to close the sale. These tactics are designed to avoid detection and can be a sign that the transaction—or even the seller—is fraudulent. Agents who are Licensees can help you avoid instances of potential title fraud by working with trusted title and escrow companies, guiding you through secure transactions, and helping make sure your ownership is properly recorded and protected.

HOW CAN I PROTECT MYSELF FROM TITLE FRAUD, ESPECIALLY WHEN BUYING A HOME?

- If you currently own property, ask your local county if they offer fraud alerts for property documents, periodically check online tax and property records, and keep your ownership records in a secure place. There are counties in Nebraska that do offer a free service called Property Fraud Alert. If your county does not, it is best to periodically check on your title status to ensure that nothing has been filed against it. When buying, make sure a full title search is done and consider purchasing owner's title insurance.

WHAT ARE SOME WARNING SIGNS THAT I MIGHT BE A VICTIM OF TITLE FRAUD?

- Warning signs include if you stop receiving property tax bills or receive mail for someone else at your address. Unexpected notices from banks or government offices may also be a sign that someone has tampered with your home's title.

- If you believe you are a victim of title fraud, contact the county assessor and the Nebraska Attorney General's Office.

QUESTIONS?