

Title Fraud Protection+

Protecting your home against fraud plus so much more



Reduce your risk

Imagine the feeling when you receive repeated calls from the bank, insisting that you're late with your mortgage payments. Or your confusion when you come home from vacation to find that your house is now home to another family, sold out from underneath you while you were away.

This is the cold hard reality of real estate title fraud.

But you can reduce your risk. With Title Fraud Protection+ from FCT*, you can rest easy knowing that you are protected from the financial and emotional stress associated with real estate title fraud and many other costly title defects.



Understanding real estate title fraud

Real estate title fraud is when individuals (fraudsters) use deceptive methods to illegally obtain the rights to your property's title and then make use of that right for financial gain. Title fraud is a highly sophisticated crime with large financial losses for its victims.

There are generally two common techniques that fraudsters use when perpetrating real estate title fraud:

1. Identity theft and impersonation



Identity theft is one of the fastest growing crimes in North America and it can happen to anyone. Using stolen or fake identification or documents, a fraudster pretends to be the homeowner and obtains one or more mortgages on the property and then walks away with the cash.



2. Forgery

A fraudster registers forged documents to discharge any existing mortgages, transfers the property to themselves and then registers a new mortgage against the property's clear title, pocketing the proceeds.

Title Fraud Protection+ from FCT

Title Fraud Protection+ is a title insurance policy that offers you, the homeowner, coverage against losses associated with real estate title fraud, plus other common title issues/defects.

Title Fraud Protection+ is unlike traditional insurance products in that it:

- ▶ Not only covers things that may happen in the future (e.g. title fraud), but it also covers title defects that have already occurred in the past, prior to the purchase of your home
- ▶ Can be purchased for a low one-time premium**
- ▶ Does not have a deductible
- ▶ Protects you for as long as you own your home



*Title Fraud Protection+ is FCT's Platinum Homeownership Protection Policy with an Existing Homeowner Endorsement that can be purchased by homeowners who did not obtain a title insurance policy when they first acquired their home.

**Premiums are based on the value of your property and your province of residence. Premiums begin at \$350.

Real life title fraud story†

A young man decided to use some of his savings and invest in real estate. He purchased an investment property for \$204,500 as well as an FCT homeowner title insurance policy.

Two years after the purchase, a notice was delivered to the home stating that the mortgage was in default and the lender would be taking possession of the property. Confused, the insured sought counsel as he knew that his mortgage was in good standing. An investigation revealed that the title was fraudulently transferred from the insured homeowner and a mortgage in the amount of \$165,000 had been fraudulently registered on the title. Mortgage funds were paid to the fraudulent transferee, who was now nowhere to be found.

Luckily for the insured, he was protected by an FCT title insurance policy. FCT co-ordinated and retained counsel on his behalf, and ultimately paid out over \$12,000 in legal fees to remove the mortgage from title and rightfully transfer title back to him. The young man retained his investment property, while being spared the time, expense and stress of having to defend himself against the fraud.



► **Over \$12,000** in legal fees claimed

†Names and specific details may have been changed to protect the privacy of those involved.

What is the + ?

In addition to title fraud coverage, Title Fraud Protection+ will also insure homeowners against other costly title defects that were unknown at the time of purchase, such as:

✓ Municipal issues

If improvements or additions were made to your house prior to your purchase without the proper permits, you could be forced to rectify the situation by your local municipality.

✓ Encroachment issues

Sheds, laneways, even homes and garages are sometimes built on neighbouring properties and may need to be altered, moved or removed entirely. This could happen if a previous owner built without verifying where the lot lines were or based decisions on an out-of-date survey.

Title Fraud Protection+ protects you against both of these common but potentially costly issues.

We've got you covered

With title fraud, the onus is on you — the victim — to prove that a crime has taken place. With Title Fraud Protection+ from FCT, you will be spared from the financial and emotional stress associated with achieving a resolution. FCT will defend you during any enforcement proceedings commenced by the lender, in order to have the fraudulent mortgage removed from title on your behalf.

In the event of a claim, Title Fraud Protection+ covers you against:

- Losses associated with fraudulently registered mortgages
- Legal fees and other costs incurred in defence of your right of ownership

With one simple, cost-effective policy you can be confident you have the coverage you need to protect your greatest investment: your home.

To learn more about real estate fraud and simple tips to avoid being a victim, visit the Financial Consumer Agency of Canada online at www.fcac-acfc.gc.ca.



Protect your home today

Protect yourself with Title Fraud Protection+ by calling FCT directly at 1.877.888.1153.

► FCT.ca



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#1218E RTIS (Nat. excl QC) 03-14