

ARELLO Fraud Update: Scammers Impersonating More Real Estate Regulators

More ARELLO member jurisdictions have announced that scammers are impersonating state regulators in order to swindle real estate licensees, while fraudulent schemes carried out in the name of legitimate industry organizations and federal agencies still target struggling homeowners.

The Alabama Real Estate Commission (AREC) recently posted information on its website indicating that real estate licensees in the state are receiving calls from an individual or individuals who are impersonating AREC staff. The caller tells licensees that new fingerprints are required by AREC and that there will be a related processing charge, which the caller offers to process through a credit card transaction. AREC is reminding licensees that it does not require fingerprints or solicit credit card payments, checking account information or social security numbers over the telephone. Licensees are being warned not to provide personal information by telephone or email and to contact local law enforcement authorities if a suspicious call or email is received from someone claiming to be an AREC staff member. AREC is also reminding licensees that, if they are contacted by a purported AREC representative, the caller's identity can be verified by checking the agency's website and confirming the employee's identity.

In late September, the **Massachusetts Board of Registration of Real Estate Brokers and Salespersons** issued an alert warning that some of its licensees have been targets of a similar scam, with a different twist. Like the Alabama schemers, the caller seeks to obtain a Massachusetts licensee's credit card number and/or a social security number by stating that the Board has implemented a fingerprinting requirement mandated by state law. The caller then tells licensees that they have ignored a letter from the board regarding the matter and that their licenses are scheduled for suspension. The caller then offers to process a fingerprint application through a credit card transaction. According to the Massachusetts Board, in at least one case the caller recited an incorrect social security number for the licensee, and then demanded that the licensee provide the correct one. There is no fingerprint requirement under Massachusetts law and the Board has emphasized that it would never call a real estate licensee to request a credit card or social security number.

The Texas Real Estate Commission issued fraud alerts involving similar conduct earlier this year. Some ARELLO members such as the **Idaho Real Estate Commission** are warning licensees of the scams, even though they may not yet have emerged in those jurisdictions.

Also, the **National Association of REALTORS®** (NAR) issued a warning last Spring indicating that its name was being used as a part of a scam in which rental properties were being offered to consumers who were led to believe that NAR was functioning as an intermediary to receive deposits from prospective tenants. The tenants were instructed to send money via Western Union to NAR's purported agent in the United Kingdom. NAR announced, of course, that it had nothing to do with the scheme and did not engage in such business practices.

[Impersonation Schemes Reach Legitimate Homeowner Assistance Programs](#)

Copycat scammers have also latched onto legitimate state, federal and real estate industry programs designed to provide counseling and loan modification assistance to homeowners facing foreclosure.

In November 2008, ARELLO Headquarters forwarded a fraud alert to its members through the exclusive ARELLO listserve, passing along a statement issued by the **The Homeownership Preservation Foundation**. The organization warned of fraudulent foreclosure prevention services and hotlines claiming to be affiliated with, or dishonestly mimicking, legitimate services offered by the **Homeowner's HOPE Hotline**, 888-995-HOPE™.

Federal and state law enforcement agencies later announced that they were stepping up efforts to shut down an increasing number of phony foreclosure "rescue" scams that are being marketed over the Internet and in print, radio and other advertising media. The **U.S. Federal Trade Commission** has reported a surge of misleading advertisements by foreclosure relief services that use copycat names or look-alike web sites to give the impression that they are nonprofit or government entities. These entities then charge up-front fees for their "services". Often, after collecting the fee, the companies do little or nothing to help consumers.

Many state and federal authorities, as well as legitimate voluntary homeowner assistance organizations, have been engaged in efforts to remind consumers that legitimate nonprofit and governmental foreclosure relief programs do not charge such fees.

(Article from ARELLO Boundaries Publication November 2009 Edition.)